

**BOARD OF TRUSTEES
AGENDA**

<input type="checkbox"/>	Workshop	<input checked="" type="checkbox"/>	Regular	<input type="checkbox"/>	Special
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- (A) **Report Only** **Recognition**

Presenter(s):

Briefly describe the subject of the report or recognition presentation.

- (B) **Action Item**

Presenter(s): ISMAEL MIJARES, DEPUTY SUPERINTENDENT FOR BUSINESS & FINANCE
LUIS VELEZ, PURCHASING DIRECTOR

Briefly describe the action required.

CONSIDER AND TAKE APPROPRIATE ACTION ON THE REQUEST TO APPROVE THE SERVICE AGREEMENT FOR PAYDHEALTH, LLC AND THE BOARD DELEGATES THE SUPERINTENDENT OR DESIGNEE THE AUTHORITY TO MAKE RELATED BUDGETED PURCHASES OF GOODS OR SERVICES AS PER BOARD POLICY CH.

- (C) **Funding source: Identify the source of funds if any are required.**

BUDGETED FUNDS

- (D) **Clarification: Explain any question or issues that might be raised regarding this item.**

SEE ATTACHED

MASTER SERVICES AGREEMENT

THIS MASTER SERVICES AGREEMENT (the "Agreement"), dated the 5th day of June and effective on the 1st day of July (the "Effective Date"), is entered into by and between EAGLE PASS INDEPENDENT SCHOOL DISTRICT, a plan sponsor or health and welfare fund with offices located at 1420 Eidson Rd, Eagle Pass, TX 78852 ("CUSTOMER") and PAYDHEALTH, LLC, a Texas limited liability company with an administrative location at 7090 N ORACLE RD STE 178-256, TUCSON AZ 85704-4333 ("COMPANY"). CUSTOMER and COMPANY are each referred to herein as a "Party" and collectively as the "Parties".

RECITAL

WHEREAS, CUSTOMER is the plan administrator of healthcare benefits plan or plans (the "Plan") that provides medical and prescription drug benefits to Plan subscribers and their covered beneficiaries ("Participants");

WHEREAS, CUSTOMER desires to provide access to healthcare products and services, as defined in Schedule 1 of this Agreement, to its Participants;

WHEREAS, COMPANY provides services to plan administrators and Participants that facilitate access to healthcare products and services by supporting the Participant with advocacy services designed to reduce the cost of healthcare benefits obtained by Participant under the Plan (the "Program");

WHEREAS, the parties desire to enter into a contract by which the COMPANY provides services to and on behalf of the CUSTOMER's Participants;

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party hereto to the other, CUSTOMER and COMPANY agree as follows:

AGREEMENT

1. Services. CUSTOMER'S Participants that need healthcare products and services defined in Schedule 1 will be automatically enrolled the Program provided by the COMPANY to the Plan and its Participants. CUSTOMER'S Participants who do not wish to participate in this program may opt out by notifying the COMPANY via its CUSTOMER assigned contact center at its most currently published telephone number. COMPANY shall provide to CUSTOMER the Program services set forth on Schedule 1, which is attached hereto and made a part hereof (the "Services").

2 Term.

2.1 This Agreement shall be effective as of the Effective Date and shall continue for a period of two (2) years thereafter (the "Initial Term"). Thereafter, this Agreement will automatically renew with the same terms and conditions set forth herein for successive one (1) year renewal terms, unless terminated sooner pursuant to Section 5 hereof.

3. Fees and Expenses.

3.1 In consideration of the performance of the Services, CUSTOMER shall pay COMPANY fees based on the Services defined in Schedule 1 of this Agreement.

3.2 All invoices are due within fifteen (15) days of date of the invoice's date. In the event of a disputed invoice, CUSTOMER shall notify COMPANY within three (3) days of receipt of invoice that it disputes the accuracy or appropriateness of such invoice and specify the particular respects in which such invoice is inaccurate or inappropriate. CUSTOMER shall pay for all undisputed items and any remaining disputed items shall be resolved in a timely and efficient manner. The Parties agree that meetings, either telephonic or otherwise, shall be convened between the appropriate CUSTOMER and COMPANY representatives to resolve disputes, and if no resolution has been reached within fifteen (15) days of notification, a meeting will be scheduled between senior management of both Parties. If disputes cannot be resolved within sixty (60) days from the date of the notice, the Parties will be bound by the provisions set forth in 15.9. Payment shall be made by electronic funds transfer to a COMPANY-designated bank, or as defined during the Program's set-up period.

4. Confidentiality.

4.1 During the term of the Agreement, COMPANY, its employees and agents may obtain Confidential Information (as defined herein), from CUSTOMER. "Confidential Information" shall mean any and all information, data, know-how, whether written or oral or observed, technical or non-technical, as well as tangible materials, including without limitation samples, models, drawings or diagrams disclosed to COMPANY by CUSTOMER, obtained by COMPANY while visiting the facilities of CUSTOMER or developed by COMPANY in connection with the Agreement. COMPANY agrees to maintain Confidential Information in confidence during the term of the Agreement and for a period of three (3) years beyond the termination of the Agreement and (i) to use the Confidential Information only in connection with its performance of Services pursuant to the Agreement, (ii) to treat the Confidential Information as it would its own proprietary and confidential information, (iii) to disclose the Confidential Information only to employees or agents of COMPANY who are on a need-to-know basis and who agree to be bound by these confidentiality obligations, and (iv) to take all reasonable precautions to prevent the disclosure of the Confidential Information to any third-party without the prior written consent of CUSTOMER, except that COMPANY may disclose such Confidential Information to its legal counsel for the purpose of obtaining legal advice.

4.2 COMPANY shall be relieved of all obligations under Section 4.1 regarding Confidential Information which: (i) was known to COMPANY prior to receipt hereunder as set forth in written records,(ii) at the time of disclosure to COMPANY was generally available to the public, or which after disclosure hereunder, becomes generally available to the public through no fault of COMPANY, or (iii) is hereafter made available to COMPANY from any third-party having a right to do so, or (iv) is required by law, regulation, subpoena, or judicial or governmental order to be disclosed, provided COMPANY shall notify CUSTOMER prior to any such disclosure to permit CUSTOMER to oppose such disclosure by appropriate legal action.

4.3 Nothing herein shall be construed as giving COMPANY any license, right, title, interest in or ownership of the Confidential Information. Upon request by CUSTOMER, after termination of the Agreement or upon the completion of all Services required by the Agreement, COMPANY shall return the Confidential Information to CUSTOMER, provided however that if such Confidential Information is stored in back-up systems by COMPANY that is not readily accessible for return or deletion, COMPANY may maintain one copy in such database for which the confidentiality obligations hereunder shall continue.

5. Termination.

5.1 This Agreement may be terminated in accordance with any one of the following provisions:

5.1.1 This Agreement may be terminated by CUSTOMER, with or without cause, upon ninety (90) day written notice to COMPANY;

5.1.2 This Agreement may be immediately terminated by either party if the other party becomes insolvent, is dissolved or liquidated, makes a general assignment for the benefit of its creditors, or files or has filed against it a petition in bankruptcy or has a receiver appointed for a substantial part of its assets; or

5.1.3 This Agreement may be immediately terminated by either party if: (i) the other party breaches the provisions of Section 4 hereof, or (ii) either party materially breaches the terms of Section 12 hereof, or (iii) if either party breaches the provisions of Section 13 hereof.

5.2 If this Agreement is terminated pursuant to this Section 5, COMPANY shall use reasonable efforts during the period between notice of termination and the effective date of such termination to wind-up only those Services specifically designated by CUSTOMER in accordance with its responsibilities under this Agreement and applicable law and regulation, to reduce or eliminate further costs, and to cancel, if permitted under the terms of applicable agreements, any and all applicable third party obligations. Within thirty (30) days after the completion of wind-up of such Services (which wind-up includes receipt by CUSTOMER of any deliverables prepared by COMPANY, if any, prior to the date of termination), COMPANY shall provide CUSTOMER with a written itemized statement of all work performed by it hereunder. COMPANY shall be entitled to a payment based on the Services provided by it through the date of termination and to reimbursement for all costs, if any, associated with canceling all applicable third-party obligations that are incurred through the date of termination. If the amount already paid by CUSTOMER to COMPANY exceeds such amount, then COMPANY shall refund such excess to CUSTOMER, and if such amount is less than the amounts already paid by CUSTOMER to COMPANY, then CUSTOMER shall pay the amount of the difference due to COMPANY.

6. Indemnification

6.1 COMPANY agrees to indemnify and hold CUSTOMER, its officers, directors, employees and agents harmless from any and all losses, reasonable costs, claims, demands, judgments and liability (including reasonable attorneys' fees) resulting from the performance of COMPANY, its officers, directors, employees and agents under the Agreement, except to the extent that such losses, costs, claims, demands, judgments or liability are due to the negligence or intentional wrongful act(s) of CUSTOMER.

6.2 To the extent permitted by law, CUSTOMER agrees to indemnify and hold COMPANY, its officers, directors, employees and agents harmless from any and all losses, reasonable costs, claims, demands, judgments and liability (including reasonable attorneys' fees) resulting from the performance of CUSTOMER, its officers, directors, employees and agents under this Agreement, except to the extent that such losses, costs, claims, demands, judgments or liability are due to the negligence or intentional wrongful act(s) of COMPANY.

6.3 Any party seeking indemnification pursuant to this Section 6 (the "Indemnitee") shall notify the party from whom indemnification is sought (the "Indemnitor") of Indemnitee's notice of any claim, proceeding or investigation. Such notice shall (i) be in writing, (ii) be delivered to Indemnitor within ten (10) days of the date Indemnitee receives notice of such claim, proceeding or investigation, and (iii) indicate the nature and basis of the claim, proceeding or investigation. The Indemnitee shall cooperate in the defense of such claim, proceeding or investigation, subject to reimbursement by the Indemnitor for all reasonable out-of-pocket expenses. The indemnification set forth in Sections 6.1 and 6.2 shall include amounts paid in settlement; provided, however, that no such settlement shall be entered into without the consent of each party, which consent shall not be unreasonably withheld.

6.4 Notwithstanding any other provisions of this Agreement, COMPANY shall procure and obtain during any term of the Agreement insurance as follows: (i) comprehensive general liability with limits of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate, and workers' compensation insurance as required by law. Upon request, COMPANY shall forward to CUSTOMER a certificate evidencing such insurance (or a letter of self-insurance covering these amounts).

7. Publicity/Publication.

7.1 Neither party shall use or publish the other party's name, trademarks, or its affiliates' names or trademarks in promotion, advertising, press releases or for any other purpose without the prior written consent of the other party.

7.2 Any proposed publication written by COMPANY as part of the Services under the Agreement shall be reviewed in advance by CUSTOMER and approved for publication prior to submission, said approval not to be unreasonably withheld.

8. Independent Contractor Status. COMPANY, its employees, agents and any other individuals assigned by COMPANY to perform Services in accordance with the Agreement ("Staff Members") shall not be deemed agents, servants, partners, joint venturers or employees of CUSTOMER. COMPANY and its Staff Members shall have no authority to take action on CUSTOMER's behalf or to bind CUSTOMER without the prior written consent of CUSTOMER. COMPANY does not act as a fiduciary of the CUSTOMER for purposes of ERISA when COMPANY contracts with healthcare providers, or when COMPANY exercises any other cost-containment functions described in this Agreement. No amounts that are to be or are transferred to COMPANY shall be considered CUSTOMER assets. COMPANY and its Staff Members are acting in the capacity of independent contractors of CUSTOMER. CUSTOMER is not responsible for withholding, and shall not withhold, FICA or taxes of any kind from any payments it owes to COMPANY. COMPANY is responsible to provide any and all compensation, benefits and/or insurance to its Staff Members. It is also understood and expressly acknowledged that neither COMPANY nor its Staff Members are eligible to participate in, nor are they eligible for coverage under, any of the benefit plans, programs, employment policies, procedures or workers' compensation insurance of CUSTOMER.

9. Data Ownership, Use, Protection and Privacy.

9.1 Data Ownership and Use. Any and all information arising out of or resulting from COMPANY's performance of Services pursuant to the Agreement constitutes data (the "Data"). COMPANY shall use the Data as necessary to perform the Services hereunder, and may use and disclose both during and after the term of this Agreement in anonymized form (de-identified in accordance with HIPAA) and as derived from the Program including drug and related data collected by COMPANY or provided to COMPANY by CUSTOMER for research, healthcare provider profiling, benchmarking, cost trending and other internal uses or other business purposes of COMPANY and in all cases subject to applicable law. Notwithstanding the foregoing, any works previously disseminated by COMPANY in the public domain shall not be considered Data and shall not receive the protection provided by this Section 9.

9.2 Confidential Personal Information. COMPANY acknowledges that certain Data generated under this Agreement may include personally identifiable, private, patient, or customer information ("Protected Health Information"). Protected Health Information is subject to certain state and federal privacy laws, consumer protection laws, and laws governing contact with potential customers and the parties hereto agree to comply in all material respects with such laws. COMPANY shall use Protected Health Information only as necessary to perform the Services and its other obligations under this Agreement and each Party will execute and shall abide by the terms and conditions set forth in the HIPAA Business Associate Agreement, a copy of which is attached as Exhibit A and attached hereto.

10. Notices. Whenever any notice is to be given hereunder, it shall be in writing and sent by delivery service requiring the signature of the addressee and addressed to the respective parties as set forth below. Such notice shall be deemed given when received.

To COMPANY:

PaydHealth, LLC
7090 N ORACLE RD STE 178-256
TUCSON AZ 85704-4333
Attn: Legal Department

To CUSTOMER:

EAGLE PASS INDEPENDENT SCHOOL DISTRICT
1420 Eidson Rd
Eagle Pass, TX 78852
Attn: Deputy Superintendent for Business and Finance

11. Assignment. Neither party shall have the right to assign this Agreement or any of the rights or obligations hereunder without the prior written consent of the other party, not to be unreasonably withheld. Notwithstanding the foregoing, COMPANY shall have the right to assign or subcontract certain of the Services required to be performed by COMPANY to a third party. COMPANY remains responsible for the performance of a third party under any COMPANY Subcontract. COMPANY shall defend and indemnify CUSTOMER for any and all claims, injuries, or damages of any kind that occur in connection with any COMPANY Subcontract and/or the performance thereunder, and CUSTOMER shall not be liable in any manner in connection with claims of any nature.

12. Compliance with Laws. COMPANY and CUSTOMER shall comply with all applicable laws, regulations and permits. COMPANY shall also comply with any policies of CUSTOMER furnished to COMPANY in writing in accordance with Section 10 hereof.

13. Broker/Agent. COMPANY may retain the services of a licensed Broker/Agent ("Producer") to secure clients on its behalf on a fee or commission basis. COMPANY will be solely responsible for any compensation to Producer which will be paid as set forth in a separate agreement between COMPANY and Producer. COMPANY will indemnify and hold CUSTOMER harmless for any claims for fees or commission by Producer. Producers retained by COMPANY will abide by the terms of this Agreement, including but not limited to, paragraphs 12.

14. Miscellaneous Provisions.

14.1 Integration and Modification. This Agreement constitutes the entire agreement between the parties and supersedes all prior contracts, agreements, and understandings between the parties with respect to the Services contemplated herein. The parties intend this Agreement to be a complete statement of the terms of their agreement, and no change or modification of any of the provisions of this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of COMPANY and CUSTOMER.

14.2 Delays. Neither party shall be liable for the failure to perform its obligations under this Agreement if such failure is occasioned by a contingency beyond such party's reasonable control, including but not limited to strikes or other labor disturbances, lockouts, riots, wars, earthquakes, fires, floods or storms.

14.3 Waiver. No waiver of any term, provision or condition of this Agreement whether by conduct or otherwise in any one or more instances shall be deemed to be construed as a further or continuing waiver of such term, provision or condition or of any other term, provision or condition of this Agreement.

14.4 Successors and Assigns. This Agreement shall be binding upon and be enforceable by or against the COMPANY and its respective successors and permitted assigns.

14.5 Section Headings. The paragraph headings of this Agreement are merely for the convenience of the parties and are not to be construed as modifying or changing the obligations or conditions expressed in this Agreement.

14.6 Severability. If any clause, section or paragraph of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be deemed severed from the remainder of this Agreement and will have no effect on the legality, validity or enforceability of the remaining provisions.

14.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without reference to its conflicts of laws principles. Venue of any dispute arising pursuant to or related to this agreement shall be exclusively in the State District Courts of Maverick County, Texas.

14.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

14.9 Arbitration. In the event of a dispute between the parties regarding this Agreement, the parties shall first attempt to resolve their dispute through amicable discussion. In the event this fails, the parties shall proceed to binding arbitration within thirty (30) days or longer if the parties mutually agree, and such arbitration shall be administered by JAMS pursuant to its Arbitration Rules and Procedures. The arbitration award shall be final and binding regardless of whether one of the parties fails or refuses to participate in the arbitration and it shall be enforceable by any court of competent jurisdiction. Costs of arbitration shall be divided by the parties.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the following have caused this Agreement to be executed by their respective
duly authorized representatives as of the Effective Date.

EAGLE PASS INDEPENDENT SCHOOL DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

PAYDHEALTH, LLC.

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

EXHIBIT A

HIPAA BUSINESS ASSOCIATE AGREEMENT

Attached in Portable Document Format as file

[EAGLE PASS ISD paydhealth BAA.pdf]

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SCHEDULE 1

1. Services.

The COMPANY will provide the following Services to CUSTOMER and those individuals identified by CUSTOMER to be eligible for Plan sponsored healthcare benefits (“Program Enrollees”):

1.1 Specialty Services and Products. COMPANY shall provide enhanced advocacy services for certain healthcare services or products, noted on a specialty services or drug list (collectively, “Specialty List”) that are obtained by Program Enrollees.

1.2 CUSTOMER agrees to the following:

1.2.1 Specialty List. CUSTOMER shall confirm and designate, a list of services and products to be included on the Specialty List. Such services and products shall require prior authorization or pre-certification as appropriately applied under the Plan.

1.2.2 Coding of Adjudication Rules. CUSTOMER shall instruct its claims processor, pharmacy benefit manager or third-party administrator (collectively “TPA”), to adjudicate products and services listed on the Specialty List per COMPANY guidelines, as defined during the Program set-up period, and consistent with the Plan Documentation.

1.2.3 Data. CUSTOMER shall instruct its TPA(s) to provide claims activity data per COMPANY guidelines, as defined during the Program set-up period, and in a manner consistent with the Plan Documentation.

1.2.4 Grievance Processing. CUSTOMER agrees to timely adjudication of grievance claims identified by COMPANY for reconsideration determinations when Program Enrollees meet Plan-defined benefit reconsideration criteria.

1.2.5 On-going Communication. Work in good-faith to implement the Program by designation of a Point-of-contact, to coordinate on-going CUSTOMER communication.

1.3 COMPANY agrees to:

1.3.1 Facilitate the initial and ongoing enrollment in alternative funding programs for Program Enrollee(s) with active orders for products or services listed on the Specialty List.

1.3.2 Confirm shipment and receipt of products or services listed on the Specialty List provided to Program Enrollees under the Program.

1.3.3 Instruct the specified healthcare provider(s), as designated by alternate funding programs, to coordinate alternative funding program requirements related to product or service delivery on behalf of the Program Enrollees.

1.3.4 Provide sufficient information to CUSTOMER to support reconciliations of Program Fees, including the provision of 1) Program Enrollee utilization activity, 2) Plan, Alternate Funding, and Program Enrollee payment values, and 3) Costs Avoidance.

1.3.5 COMPANY shall work with the CUSTOMER, CUSTOMER vendors, PBM, and Program Enrollees to resolve issues that may affect Program Enrollee access to Specialty Drugs during the Term.

2. Program Eligibility and Payroll Data.

CUSTOMER, or CUSTOMER's designee, at CUSTOMER's sole expense, will provide COMPANY all information concerning the Plan and those individuals identified by CUSTOMER to be eligible for healthcare benefits under the Plan, as set forth in the eligibility file and a payroll file (when applicable), or as otherwise communicated by CUSTOMER in a format acceptable to its PBM (herein "Plan Participants"). CUSTOMER shall maintain, to the best of its ability, Eligibility data needed to perform the Services, including any updates thereto ("Eligibility Information"). This Eligibility Information must be complete and accurate, provided timely, updated every thirty (30) business days, and in a format and media acceptable by COMPANY. COMPANY shall load such complete, accurate and properly formatted Eligibility Information into its integrated system within twenty-four (24) hours of receipt. COMPANY will host secondary addresses for Program Enrollees so long as this information is included in the appropriate fields in the eligibility data provided by CUSTOMER. CUSTOMER acknowledges that COMPANY, Program Enrollee's prescriber or Program pharmacy shall be able to rely on the Eligibility Information provided by CUSTOMER.

3. Specialty List Administration.

3.1 Specialty List. CUSTOMER hereby adopts, as part of the Plan design, a Specialty List with exceptions as agreed to by COMPANY. COMPANY acknowledges that the CUSTOMER has the right to customize the Specialty List from time to time.

3.2 CUSTOMER shall notify COMPANY, and impacted Program Enrollees in writing of changes to the Specialty List (30) days prior to any change. In the event that a product or service is remove from the Specialty List, COMPANY shall continue services throughout the Plan eligible period for that Program Enrollees Plan as related to the removed drug and CUSTOMER shall be obligated to pay COMPANY for such services until Program Enrollee has transitioned to an alternative therapy, discontinued therapy, or has terminated from the Plan,

3.3 CUSTOMER acknowledges the Program Enrollee's healthcare practitioner shall have final authority over the prescribed products or services to a Program Enrollee, regardless of benefit coverage and that COMPANY has no authority to substitute such products or services without the approval of the Program Enrollee's healthcare practitioner.

3.4 Pricing Assumptions.

3.4.1 COMPANY reserves the right to modify or amend the financial provisions in this Agreement in the event of a material change in the scope of services to be performed by COMPANY, and/or any government imposed or industry wide change that would impede COMPANY's ability to provide the pricing described in this Schedule 1, including a change in CUSTOMER's alignment with its TPA or TPAs preferred services or product lists. COMPANY shall provide CUSTOMER with 120 days advance notice of any proposed modification or amendment of the financial provisions of this Agreement.

3.4.2 Pricing Benchmarks. The parties acknowledge that the pricing indices historically used by third-party payers (e.g., MediSpan, First Data Bank or similar), including CUSTOMER's TPA are the basis for the financial offer of this Schedule 1 and are outside the control of the Parties. In the event of changes to these benchmarks, COMPANY and CUSTOMER agree to negotiate in good faith to modify pricing in an equitable manner to preserve the financial interest of both Parties.

4. Deliverable.

4.1 Contact Center Operations. COMPANY shall operate a contact operation that facilitates responses to interest in the Program ("Contact Center") and shall provide Services to each Caller with regard to the Program as appropriate. The Contact Center shall accept calls each weekday, with the exception of standard COMPANY holidays, which are set forth in Attachment 1, from 9:00 a.m. to 5:00 p.m. Eastern Time through a toll-free number.

4.2 Program Operations. Program Operations includes: 1) intake of enrollment information and data entry into the Program service request tracking system, 2) collection of information sufficient to execute Program services, 3) advocacy and funding source identification for Callers and determination of Program identified alternate funding program eligibility, 4) generation of and transmission of all enrollment confirmation, at the direction of the beneficiary, 5) on-going maintenance to assure Program Enrollee maintains access to product or services noted on the Specialty List with intention to procure such at the least cost to Program Enrollees and Plan.

4.4 Program Reporting. COMPANY shall submit monthly reports to CUSTOMER regarding program activity and track cost-avoidance.

4.6 Enrollment Submissions. Defined as the submission of an enrollment that are not missing information and are in ready status. COMPANY shall complete 90% of each submission within seventy-two (72) hours.

5. Timeline.

5.1 Prior to the Effective Date, CUSTOMER or its designee shall provide to COMPANY: (i) the initial eligibility test data and the initial full eligibility data; (ii) the governing Plan/summary plan description, and an executed plan design document prepared by CUSTOMER PBM and approved by CUSTOMER, that may be modified by CUSTOMER from time to time in accordance with this Schedule, which documents the relevant parts of the Plan and which is used by PBM to provide services to CUSTOMER; and (iii) a refill file (if available) in a mutually acceptable format. Any delays by CUSTOMER or its designee in providing this information may delay the implementation of Services by COMPANY.

5.2 Subject to timely receipt of a refill file from a prior vendor or a new prescription, COMPANY will begin enhanced reimbursement support services as of the Effective Date.

5.3 Upon request, COMPANY shall provide CUSTOMER, at CUSTOMER request, standardized content for its Summary Plan Description (“SPD”) for Plan Participant handbooks and shall reasonably assist CUSTOMER in preparing the SPD, however, CUSTOMER shall retain final approval of the SPD.

Fee Schedule, Pricing and Budget.

<u>Deliverable</u>	<u>Note</u>	<u>Fee (in US\$)</u>
Program Set-up	One-time Charge	US\$0
Cost Avoidance Fee	Invoiced on or about the 5 th Day of each month of the term Cost Avoidance Basis (CAB) = [NDC Product AWP] less 18% NOTE: Annual Specific Claimant Cost Avoidance Fee shall not exceed \$250,000 per year per annual product claim	25% of CAB

ATTACHMENT 1

Holidays

1. Holidays

1.1 COMPANY Standard Holidays shall include all US Statutory holidays, including

New Year's Day

Birthday of Martin Luther King, Jr.

Washington's Birthday

Memorial Day

Independence Day

Labor Day

Columbus Day

Veterans Day

Thanksgiving Day and the Following Calendar Day

Christmas Day

Holidays falling on a Saturday are generally observed on the preceding Friday. Holidays falling on a Sunday are generally observed on the following Monday. COMPANY may close at 5pm ET the day before Federal and COMPANY approved holidays. COMPANY will advise CUSTOMER of holiday closures in advance of each holiday. Any voicemail messages received during the holiday will be returned within one business day.

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (the "Agreement") is made and entered into as of the 5th day of June 2019 by and between PaydHealth, LLC (hereinafter known as "Business Associate") and Eagle Pass Independent School District (herein referred to as "Covered Entity"). Covered Entity and Business Associate shall collectively be known herein as the "Parties".

WHEREAS, Covered Entity wishes to continue a business relationship with Business Associate that has been memorialized in a separate agreement (the "Underlying Agreement") pursuant to which Business Associate may be considered a "business associate" of Covered Entity as defined in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") including all pertinent regulations (45 CFR Parts 160 and 64) issued by the U.S. Department of Health and Human Services as either have been amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), as Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5); and

WHEREAS, the nature of the contractual relationship between Covered Entity and Business Associate may involve the exchange of Protected Health Information ("PHI") as that term is defined under HIPAA; and

For good and lawful consideration as set forth in the Underlying Agreement, Covered Entity and Business Associate wish to enter into this Agreement for the purpose of ensuring compliance with the requirements of HIPAA, its implementing regulations, and the HITECH Act.

NOW THEREFORE, the premises having been considered and with acknowledgment of the mutual promises and of other good and valuable consideration herein contained, the Parties, intending to be legally bound, hereby agree as follows:

I. DEFINITIONS.

A. Individual. "Individual" shall have the same meaning as the term "individual" in 45 CFR §164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR §164.502(g).

B. Breach. "Breach" shall have the same meaning as the term "breach" in §13400 of the HITECH Act and shall include the unauthorized acquisition, access, use, or disclosure of PHI that compromises the security or privacy of such information.

C. Designated Record Set. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR §164.501.

D. Privacy Rule. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164,

Subparts A and E, as amended by the HITECH Act and as may otherwise be amended from time to time.

E. Protected Health Information. "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 CFR §164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

F. Required By Law. "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR §164.501.

G. Secretary. "Secretary" shall mean the Secretary of the U.S. Department of Health and Human Services or his designee.

H. Unsecured Protected Health Information. "Unsecured Protected Health Information" or "Unsecured PHI" shall mean PHI that is not secured through the use of a technology or methodology specified by the Secretary in guidance or as otherwise defined in the §13402(h) of the HITECH Act.

II. USE OR DISCLOSURE OF PHI BY BUSINESS ASSOCIATE.

A. Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Underlying Agreement, provided that such use or disclosure would not violate the Privacy Rule, or other applicable federal or state laws and regulations, including, but not limited to, 42 CFR Part 2 ("Confidentiality of Alcohol and Drug Abuse Patient Records").

B. Business Associate shall only use and disclose PHI if such use or disclosure complies with each applicable requirement of 45 CFR §164.504(e).

C. Business Associate shall be directly responsible for full compliance with the relevant requirements of the Privacy Rule to the same extent as Covered Entity.

III. DUTIES OF BUSINESS ASSOCIATE RELATIVE TO PHI.

A. Business Associate shall not use or disclose PHI other than as permitted or required by this Agreement or as Required By Law.

B. Business Associate shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits on behalf of Covered Entity.

C. Business Associate shall immediately notify Covered Entity of any use or disclosure of PHI in violation of this Agreement. Business Associate shall immediately investigate any such use or disclosure and perform an appropriate risk assessment, to determine the likelihood that the use or disclosure compromised the privacy or security of the PHI. Business Associate shall convey

the results of its investigation and risk assessment to Covered Entity as described in Paragraph D. below.

D. Business Associate shall promptly notify Covered Entity of a Breach of Unsecured PHI. Business Associate's notification to Covered Entity hereunder shall:

1. Be made to Covered Entity no later than 60 calendar days after discovery of the Breach, except where a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security; and

2. Include the individuals whose Unsecured PHI has been, or is reasonably believed to have been, the subject of a Breach.

E. In the event of an unauthorized use or disclosure of PHI or a Breach of Unsecured PHI, Business Associate shall mitigate, to the extent practicable, any harmful effects of said disclosure that are known to it.

F. If an unauthorized use or disclosure of PHI or a Breach of Unsecured PHI is determined to require any of the notifications described in 45 CFR 164 Subpart D, Covered Entity shall be solely responsible for making such notifications. However, for Breaches involving fewer than 500 individuals, at Covered Entity's discretion, Covered Entity may delegate to Business Associate the responsibility for notifying the affected individual(s).

G. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity agrees, in a writing that conforms to the requirements of 45 CFR 164.504(e), to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.

H. To the extent applicable, Business Associate shall provide access to Protected Health Information in a Designated Record Set at reasonable times during normal business hours, at the request of Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR §164.524.

I. To the extent applicable, Business Associate shall make any amendment(s) to Protected Health Information in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR §164.526 at the request of Covered Entity or an Individual.

J. Business Associate shall, upon written request with reasonable advance notice, provide Covered Entity access to its premises for a review and demonstration of its internal practices and procedures for safeguarding PHI.

K. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for a Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI

in accordance with 45 C.F.R. §164.528. Should an individual make a request to Covered Entity for an accounting of disclosures of his or her PHI pursuant to 45 C.F.R. §164.528, Business Associate agrees to promptly provide Covered Entity with information in a format and manner reasonably sufficient to respond to the individual's request.

L. Business Associate shall, upon written request with reasonable advance notice, provide Covered Entity with an accounting of uses and disclosures of PHI provided to it by Covered Entity.

M. Business Associate shall make its internal practices, books, records, and any other material requested by the Secretary relating to the use, disclosure, and safeguarding of PHI received from Covered Entity available to the Secretary for the purpose of determining compliance with the Privacy Rule. The aforementioned information shall be made available to the Secretary in the manner and place as designated by the Secretary or the Secretary's duly appointed delegate. Under this Agreement, Business Associate shall comply and reasonably cooperate with any request for documents or other information from the Secretary directed to Covered Entity that seeks documents or other information held by Business Associate.

N. Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with 42 C.F.R. §164.502(j)(1).

O. Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

IV. DUTIES OF BUSINESS ASSOCIATE

A. Covered Entity shall provide Business Associate with its notice of privacy practices within ten (10) days of the Effective Date and shall notify Business Associate of any limitation(s) in the notice of privacy practices, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

B. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to or is required to abide by, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

V. TERM AND TERMINATION.

A. Term. The Term of this Agreement shall be effective as of the date the Underlying Agreement is effective, and shall terminate when all of the Protected

Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section V.

B. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall:

1. Provide an opportunity for Business Associate to cure the breach or end the violation and, if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity, terminate this Agreement;

2. Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

3. If neither termination nor cure is feasible, report the violation to the Secretary.

C. Effect of Termination.

1. Except as provided in paragraph 2. of this section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall not retain any copies of the Protected Health Information.

2. In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity written notification of the conditions that make return or destruction infeasible. After written notification that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

VI. CONSIDERATION. Business Associate recognizes that the promises it has made in this Agreement shall, henceforth, be relied upon by Covered Entity in choosing to continue or commence a business relationship with Business Associate.

VII. REMEDIES IN EVENT OF BREACH. Business Associate hereby recognizes that irreparable harm will result to Covered Entity, and to the business of Covered Entity, in the event of breach by Business Associate of any of the covenants and assurances contained in this Agreement. As such, in the event of breach of any of the covenants and assurances contained in Sections II or III above, Covered Entity shall be entitled to enjoin and restrain Business Associate from any continued violation of Sections II or III. Furthermore, in the event of breach of Sections II or III by Business Associate, Covered Entity is entitled to

reimbursement and indemnification from Business Associate for Covered Entity's reasonable attorneys' fees and reasonable expenses and costs that were actually incurred as a proximate result of Business Associate's breach. The remedies contained in this Section VII shall be in addition to (and not supersede) any action for damages and/or any other remedy Covered Entity may have for breach of this Agreement.

VIII. MODIFICATION. This Agreement may only be modified through a writing signed by the Parties and, thus, no oral modification hereof shall be permitted. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and HIPAA.

IX. INTERPRETATION OF THIS AGREEMENT IN RELATION TO OTHER AGREEMENTS BETWEEN THE PARTIES. Should there be any conflict between the language of this Agreement and any other agreement entered into between the Parties (either previous or subsequent to the date of this Agreement), the language and provisions of this Agreement shall control and prevail unless the Parties specifically refer in a subsequent written agreement to this Agreement by its title and date and specifically state that the provisions of the later written agreement shall control over this Agreement.

X. MISCELLANEOUS.

A. Ambiguity. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.

B. Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.

IN WITNESS WHEREOF and acknowledging acceptance and agreement of the foregoing, the Parties affix their signatures hereto.

COVERED ENTITY:
EAGLE PASS INDEPENDENT SCHOOL DISTRICT

BUSINESS ASSOCIATE:
PAYDHEALTH, LLC

By: _____

By: _____

Name: _____

Name: DAVID A GALARDI, PHARM.D.

Title: _____

Title: CHIEF COMMERCIAL OFFICER

Date: _____

Date: _____

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT (hereinafter the “**Agreement**”) is made as of the 5th day of June 2019 (hereinafter the “**Effective Date**”) between **PaydHealth, LLC** (hereinafter known as “**PaydHealth**”) and **EAGLE PASS INDEPENDENT SCHOOL DISTRICT** (hereinafter known as “**Company**”). PaydHealth and Company are each referred to herein as a “**Party**” and collectively as the “**Parties**”.

WHEREAS, the Parties are contemplating entering into certain business transactions and/or transactions related to PaydHealth providing services with regard to prescription drug cost avoidance (“**Services**”) and, to explore the possibility of the same, the Parties have agreed to disclose and are willing to disclose Confidential Information (as defined herein);

WHEREAS, the Party receiving Confidential Information shall hereafter be referred to as the “**Recipient**” and the Party disclosing such Confidential Information shall hereafter be referred to as the “**Disclosing Party**”; and

WHEREAS, Recipient wishes to receive Confidential Information and is willing to agree to keep such information confidential under certain circumstances described below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Confidential Information. Except as provided in Paragraph 2, “**Confidential Information**” includes all information (whether oral, written, electronic or otherwise) relating to the Disclosing Party or its subsidiaries or the Services (including, without limitation, software, data, design plans, plan material, benefits, operational or financial information or other business and/or technical information) that is as of the date hereof or may in the future be disclosed to Recipient or any of its Representatives (as defined below) by the Disclosing Party or any of their respective Representatives in connection with the Services. References to “**Representatives**” in this Agreement shall mean, (a) with respect to the Disclosing Party, its affiliates and the officers, directors, members, employees, agents, consultants and advisors (including, without limitation, financial advisors, counsel and accountants) of the Disclosing Party and/or its affiliates, in each case, who are acting on behalf of the Disclosing Party in connection with the matters contemplated hereby, and (b) with respect to the Recipient, its affiliates and its and their respective officers, directors, members, managers, partners, employees, agents, representatives, consultants and advisors, in each case, any such person who receives Confidential Information from the Recipient or on its behalf. For purposes of this Agreement, the term “**Affiliate**” shall mean any corporation or other business directly or indirectly controlled by, controlling, or under common control with a Party or its parent corporation.

2. Exceptions. Confidential Information does not include, and there shall be no restrictions on disclosing information that (a) is now, or that later becomes, generally available to

the public through no action by Recipient or its Representatives in violation of this Agreement; (b) Recipient or its Representatives can reasonably demonstrate was already in its or its Representatives' possession prior to its disclosure to Recipient or such Representative pursuant to this Agreement; (c) is independently developed by Recipient or its Representatives without reference to, or the use of, any Confidential Information; or (d) becomes available to Recipient or its Representatives from a source other than Disclosing Party, provided that, to the knowledge of Recipient or such Representative, such source was not bound by an obligation of confidentiality to Disclosing Party with respect to such information.

3. Non-Disclosure. Recipient shall keep the Confidential Information confidential in accordance with the terms hereof and shall not disclose or reveal it to any person other than (a) with the Disclosing Party's prior written consent, (b) pursuant to Law (as defined below) in accordance with paragraph 4 or (c) to its Representatives who are involved in evaluating, negotiating, consummating, administrating and/or approving the Services and who agree to maintain the Confidential Information as confidential in accordance with the terms and conditions of this Agreement. The term "Confidential Information" shall include the fact that discussions or negotiations are taking place in connection with the Services or any of the terms, conditions, or other facts with respect to any such Services including the status thereof. Furthermore, without the Recipient's prior written consent, and except as required by Law (in which case the provisions of paragraph 4 shall be applicable to any such disclosure *mutatis mutandi*), the Disclosing Party and its Representatives or anyone acting on their behalf will not (except to its Representatives) identify the Recipient by name or identifiable description as being involved in discussions or negotiations concerning a Proposed Transaction.

4. Permitted Disclosure. If Recipient or its Representatives are requested or required by law, regulation or legal process or regulatory or self-regulatory authority (collectively, "Law") to disclose Confidential Information, Recipient or such Representative shall provide prompt written notice (unless such notice is prohibited by Law or impracticable) to Disclosing Party of any such request or requirement so that Disclosing Party may, at its sole option and expense, seek a protective order or other appropriate remedy. Recipient or such Representative, as applicable, agrees to reasonably cooperate with Disclosing Party in any such proceeding, at Disclosing Party's sole expense. In the absence of a protective order or a waiver from the Disclosing Party, nothing in this paragraph shall limit or otherwise affect Recipient's or its Representatives' right to disclose Confidential Information if Recipient or such Representative is advised to do so by its counsel. Regardless of whether or not such protective order or other appropriate remedy is obtained, Recipient or its Representative will only furnish that portion of the Confidential Information that Recipient or such Representative is required on the advice of its counsel to turn over. Notwithstanding the foregoing, the Recipient and its Representatives may disclose Confidential Information pursuant to any routine inspection, investigation, examination or inquiry by a regulatory or self-regulatory authority without providing notice to the Disclosing Party or taking any action hereunder.

5. Ownership, Return or Destruction of Confidential Information. At any time upon the written request of Disclosing Party, Recipient shall, and shall direct its Representatives to, return to Disclosing Party or destroy all physical forms of Confidential Information in the possession of Recipient or any of its Representatives, as applicable, provided, however, that Recipient and its

Representatives may retain Confidential Information as required by Law, professional requirements or internal document retention policies, in each case, so long as such retained Confidential Information is kept confidential in accordance with this Agreement until the earliest of (x) the date such retained Confidential Information is destroyed, (y) the date such retained Confidential information no longer constitutes Confidential Information as defined herein and (z) two (2) years from the date of termination of this Agreement.

6. No Representations or Warranties Concerning Confidential Information. Recipient (a) acknowledges that neither Disclosing Party nor any of its Representatives is making any express or implied representation or warranty as to the accuracy or completeness of any Confidential Information and (b) also agrees that neither it nor its Representatives are entitled to rely on the accuracy or completeness of any Confidential Information, in each case of (a) and (b), except to the extent arising from or relating to any definitive agreement relating to the Services, subject to the terms and conditions of such agreement.

7. No Obligation to Proceed. The Parties agree that unless and until a definitive agreement has been executed and delivered with respect to the Services, neither Party shall be under any obligation. Either Party may, at any time and in its sole discretion, elect to terminate discussions or any negotiations regarding the Services and is under no obligation to continue or to consummate an agreement with respect to the Services with the other Party.

8. Completeness. This Agreement contains the entire understanding between the Parties related to the subject matter hereof, and supersedes all prior written and verbal negotiations, representations, and agreements concerning the subject matter.

9. Communication. Without the Disclosing Party's written consent, Recipient agrees not to contact any officers, employees, known customers, known suppliers, members or known affiliates of the Disclosing Party, in each case, with respect to any of the Confidential Information or the Services, provided, that nothing in the foregoing shall prohibit contact (x) in the ordinary course of business, (y) initiated by such persons or (z) in connection with industry due diligence provided the Recipient does not disclose to any such individual or entity that the Services are being explored, or that Recipient has been contacted in that regard. Recipient agrees that the Disclosing Party will arrange for appropriate contacts with the Disclosing Party for due diligence purposes in connection with the Services.

10. Remedies. In the event of any breach or threatened breach hereof, and in addition to any and all other remedies available to Disclosing Party at law or in equity, Disclosing Party shall be entitled to seek injunctive and other equitable relief, and Recipient agrees that Disclosing Party's remedy at law may not be adequate. Recipient shall be responsible for any breach of this Agreement by its Representatives of the terms applicable to the Recipient's Representatives.

11. Miscellaneous. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The Parties agree that all electronic copies of this Agreement and signatures hereto shall be duplicate originals. This Agreement may only be amended by a

written document signed by both Parties. This Agreement shall be binding on, and shall inure to the benefit of, the Parties, provided that no person other than the Parties hereto may enforce the provisions of this Agreement.

12. Governing Law; Consent to Jurisdiction; Jury Trial Waiver. This Agreement shall be governed by and construed in accordance with the laws of the state of Texas. Each Party hereto hereby consents and submits to the jurisdiction of the federal and state courts located in the County and City of Dallas, State of Texas in any action or proceeding arising out of or related to this Agreement or the subject matter hereof and each Party hereby waives (to the extent permitted by applicable law) any objection which it may now or in the future have to the laying of venue for any such action or proceeding in any such court. As a material inducement to the other Parties hereto to enter into this Agreement, *each Party hereby waives, to the fullest extent permitted by applicable law, the right to demand a jury trial.*

13. Term. This Agreement shall automatically renew one (1) year from the date of this Agreement and shall remain in effect unless terminated by either party whereby the terms of the Agreement shall apply.

*REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGES FOLLOW*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

PAYDHEALTH, LLC

By: _____

Name: David Galardi, Pharm.D.

Title: Chief Commercial Officer

Date: _____

EAGLE PASS INDEPENDENT SCHOOL DISTRICT

By: _____

Name: _____

Title _____

Date _____