

# Memorandum

To: Planning Committee  
Copy: Board of Managers  
From: Jonny F. Hipp, Administrator  
Date: June 4, 2015  
Re: Ratify Renewal of Pharmacy Benefit Administrative Services Agreement with Script Care, Ltd.

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**BACKGROUND:** The Hospital District presently is a party to a Pharmacy Benefit Administrative Services Agreement (“PBASA”) with Script Care, Ltd.; under the PBASA, Script Care primarily performs pricing adjudication of outpatient pharmacy claim amounts arising from Christus Spohn Health System Corporation under the Hospital District’s indigent care program. A copy of the PBASA is attached. Script Care is located in Beaumont, Texas.

The Hospital District initially contracted with Script Care in January 2001 as the result of a Request for Proposals (RFP)-based selection process then. The District has had a series of similarly performing agreements with Script Care since that time, each the result of an RFP-based selection process.

The current PBASA was awarded to Script Care in December 2013 as the result of an earlier RFP-based selection process and has the term January 1, 2014 – December 31, 2014, with two additional one-year renewal options. The attached renewal exercises the first of the two renewal options as provided in PBASA, Section 22.2; the renewal was based upon Script Care’s satisfactory performance of their responsibilities under the PBASA during the initial year. The original one-year renewal document sent in late 2014 became misplaced in transit.

**REQUESTED ACTION:** Ratify renewal of Pharmacy Benefit Administrative Services Agreement with Script Care, Limited for the period January 1, 2015 - December 31, 2015; renewal exercises first of two one-year renewal options; renewal pursuant to Agreement, Section 22.2.

Thank you.

*Jonny F. Hipp*



**NUECES COUNTY HOSPITAL DISTRICT**  
**Administrative Offices**

555 N. Carancahua Street, Suite 950  
Corpus Christi, Texas 78401-0835

Phone: (361) 808-3300  
Fax: (361) 808-3274

**RENEWAL**  
**of**  
**Pharmacy Benefit Administrative Services Agreement**  
**January 1, 2015 - December 31, 2015**

Effective January 1, 2014, and upon the signature of the duly authorized officers of both parties, the Pharmacy Benefit Administrative Services Agreement entered into by Nueces County Hospital District and Script Care, Ltd. on December 05, 2013, is hereby renewed in its entirety for an additional one (1) year period. The renewal term shall be effective at 12:00 a.m., on January 1, 2015 and unless otherwise terminated pursuant to Section 23 of the Agreement, it shall terminate at 11:59 p.m. on December 31, 2015.

IN WITNESS WHEREOF, the parties hereby execute this renewal to the Pharmacy Benefit Administrative Services Agreement.

**NUECES COUNTY HOSPITAL DISTRICT**

**SCRIPT CARE, LTD.**

By: Jonny F. Hipp  
Jonny F. Hipp, ScD, FACHE  
Administrator/Chief Executive Officer

By: James F. Brown  
James F. Brown, R.Ph.  
President

Date: June 02, 2015

Date: 6/2/15



## PHARMACY BENEFIT ADMINISTRATIVE SERVICES AGREEMENT

This Pharmacy Benefit Administrative Services Agreement (the "Agreement") is made and entered into on the date set forth below by and between the Nueces County Hospital District, a political subdivision of the State of Texas whose administrative offices are located in Corpus Christi, Texas (the "Hospital District" or "District"), and Script Care, Inc., a privately held Texas Corporation whose corporate offices are located in Beaumont, Texas ("Script Care").

### WITNESSETH

WHEREAS, the Hospital District was established and created pursuant to the Texas Health and Safety Code, Chapter 281 (the "Health Code") and under Health Code §281.046 the District has a statutory obligation to furnish medical aid and hospital care to indigent and needy persons residing within the District's boundaries and the District fulfills said obligation through its Nueces Aid Program (the "Program") under terms of a separately performing Indigent Care Agreement (the "ICA") entered into between the Hospital District and Christus Spohn Health System Corporation (the "Provider");

WHEREAS, the Program includes an outpatient prescription drug benefit and the Hospital District's payment to Provider under the ICA for provision of said benefit is based on a discounted amount of the Average Wholesale Price, less Coinsurance (as said term is defined herein), plus a Dispensing Fee (as said term is defined herein), and due to the costs of this benefit and the distinct claims adjudication requirements associated with administration of the benefit, the District desires to acquire certain third-party pharmacy benefit administrative services ("PBA Services") to support its management, oversight and payment of the benefit provided through the Provider under terms of the ICA;

WHEREAS, the Hospital District desires to acquire PBA Services and on October 7, 2013 issued a related Request For Proposal styled "RFP# 2013-02" (the "RFP");

WHEREAS, Script Care, a third-party pharmacy benefit administrator, submitted a responsible proposal in response to the District's RFP solicitation demonstrating its desire to provide the PBA Services; and

WHEREAS, as a result of Script Care's RFP submission and the Hospital District's evaluation thereof, the District through its Board of Managers awarded the contract to Script Care.

NOW, THEREFORE, in consideration of premises and the mutual covenants and undertakings herein contained, the parties agree as follows:

#### 1. DEFINITION OF TERMS.

1.1 Terms Above Stated. As used in this Agreement, the terms "Agreement", "Hospital District", "District", "Script Care", "Program", "ICA", "Provider", "PBA Services" and "RFP" shall have the corresponding meanings indicated above.

1.2 Additional Terms. In addition and as used in this Agreement, the following terms shall have the corresponding meanings:

"Administrative Services" means (i) the online adjudication of claims electronically

submitted to Script Care by Provider for Covered Prescription Benefits. Administrative Services includes, but is not limited to, verification of eligibility, calculation of pricing for Legend Drug, OTC Drug and non-drug NDC-numbered items based on the Negotiated Drug/Item Price, less Coinsurance, plus Dispensing Fee, pharmacy claim adjudication; and (ii) provision of related utilization and management reports based on transaction data captured during the online claims adjudication process. For purposes of this Agreement the term “adjudication” shall mean settlement of a Provider claim based on the price calculated above.

“Authorized Physician” means a Doctor of Medicine (M.D.), Doctor of Osteopathy (D.O.), Doctor of Podiatry (D.P.M.) or Doctor of Dentistry (D.D.S.), when acting within the scope of his/her license, in accordance with the laws of the State of Texas and who maintain active medical staff membership and delineated privileges at Provider’s hospital facilities.

“Authorized Physician Extender” means: (a) an Advanced Practice Nurse (A.P.N.), who is licensed by and holds Limited Prescriptive Authority pursuant to Texas Board of Nurse Examiners rules and regulations and who is acting within the scope of his/her license, in accordance with the laws of the State of Texas, and who is employed or contracted by Provider; and (b) a Physician Assistant (P.A.) who is licensed by and has been granted Prescriptive Authority pursuant to Texas State Board of Medical Examiners rules and regulations and who is acting within the scope of his/her license, in accordance with the laws of the State of Texas, and who is employed or contracted by Provider.

“Average Wholesale Price” or “AWP” means the Average Wholesale Price as stated by First Data Bank Inc. as of the date Script Care adjudicates the claim.

“Coinsurance” means the fixed percentage amount of pharmacy charges Eligible Enrollees pay out-of-pocket to Provider for each Legend Drug, OTC Drug and non-drug NDC-numbered item filled, refilled or provided under the Hospital District’s Covered Prescription Benefit as specified in Schedule “A” attached hereto. Coinsurance percentages are negotiated between Hospital District and Provider and are based on Eligible Enrollees level of Program coverage.

“Covered Prescription Benefits” means those Legend Drug, OTC Drug and non-drug NDC-numbered items identified as being covered by Hospital District under the Program as specified in Schedule “A” attached hereto.

“Dispensing Fee” means the flat amount the Hospital District pays the Provider for each Legend Drug, OTC Drug and non-drug NDC-numbered item filled, refilled or provided.

“Drug Formulary” means a list of brand name and generic prescription drugs dispensed on an outpatient basis and covered under the Covered Prescription Benefits specified in Schedule “A” attached hereto. The Drug Formulary is to be developed by the Hospital District and Script Care.

“Eligibility File” means the electronic database maintained by Script Care consisting of the list of Eligible Enrollees and the other pertinent information relating to them necessary for Script Care to determine the eligibility and adjudicate

any claim submitted by Provider for Legend Drug, OTC Drug and non-drug NDC-numbered items under the Program.

“Eligible Enrollee” means any person which the Hospital District identifies as a enrollee in the Nueces Aid Program and who is eligible to receive the Program’s outpatient prescription drug benefit.

“Eligibility File Maintenance Data” or “Eligibility Data” means that electronic or hard copy form and format of data provided to Script Care by Hospital District which identifies Eligible Enrollees as well as other eligibility information necessary for Script Care to perform its Administrative Services as encompassed by this Agreement. The form and format of Eligibility Data is described in Schedule “D” attached hereto.

“Legend Drug” means any medicinal substance which bears the legend “Caution: Federal law prohibits dispensing without a prescription” and, for the purposes of this Agreement, shall include State Restricted Drugs (any non-federal Legend Drug which, according to state law, may not be dispensed without a prescription) and compounded prescriptions containing at least one (1) Legend Drug (as defined herein), in a therapeutic amount.

“National Drug Code” or “NDC” means a unique Federal identifying number associated with each drug manufactured, prepared, propagated, compounded, or processed by a drug establishment registered under the Federal Food, Drug, and Cosmetic Act. The NDC serves as a universal identifier for human drugs. The NDC number identifies a drug’s labeler/vendor, product code identifies a specific strength, dosage form, formulation, and package size. The related National Drug Code System consists of prescription and selected over-the-counter, insulin and foreign drug products that are in commercial distribution in the United States.

“Negotiated Drug/Item Price” means the price negotiated between the Hospital District and Provider for each Legend Drug, OTC Drug and non-drug NDC-numbered items provided under the Covered Prescription Benefits of the Program.

“Over-The-Counter Drug” or “OTC Drug” means any medicinal substance that is not a Legend Drug (as defined herein) and is identifiable by a NDC number.

“Prescription Order” means the legal request for Legend Drug, OTC Drug and non-drug NDC-numbered items issued by any Authorized Physician or Authorized Physician Extender as defined herein.

2. DRUG COVERAGE AND EXCLUSIONS.

Coverage for drugs and any related exclusions authorized by the Program and provided to Eligible Enrollees shall be governed by Schedule “A” attached hereto.

3. QUANTITIES DISPENSED.

The quantity dispensed for each Eligible Enrollee prescription or refill of a covered prescription will be the quantity prescribed as governed by Schedule “A” attached hereto.

4. REFILLS.

Coverage for drugs and any related exclusions authorized by the Program and provided to Eligible Enrollees shall be governed by Schedule "A" attached hereto.

5. ELIGIBLE ENROLLEE COVERAGE.

Coverage for Eligible Enrollees shall be only as specified in the then current Eligibility File as updated from time to time by Hospital District through its Eligibility Data updates.

6. RESPONSIBILITIES OF HOSPITAL DISTRICT.

6.1 Assure that all Provider claims for Legend Drug, OTC Drug and non-drug NDC-numbered items provided under the Covered Prescription Benefits of the Program are submitted electronically to Script Care through an electronic intermediary agreed to by Hospital District and Script Care.

6.2 Provide Script Care, or its agent, with complete Eligibility File Maintenance Data listing those Eligible Enrollees that Hospital District authorizes for the Program's outpatient prescription drug benefit. Hospital District shall submit the Eligibility Data in the form and format specified in Schedule "D". Hospital District shall be responsible for the correctness, completeness and accuracy of all data submitted to Script Care or its agent, concerning the Eligibility Data and any updates thereof. If any such data submitted to Script Care, or its agent, is incorrect, incomplete, not in good condition, or not submitted on time, the Hospital District shall be responsible for any claim re-adjudication fees that may result from the use of said information in the verification of eligibility and adjudication of claims submitted to Script Care by Provider.

6.3 Inform Script Care, or its agent, using the agreed upon data transfer form and format, of all changes in the eligibility status of Eligible Enrollees (i.e., additions, terminations, renewals, limitations, etc.) no less often than once a month.

6.4 Negotiate pricing with Provider for Covered Prescription Benefits and inform Script Care or its agent, of all changes in said pricing, if any.

6.5 Negotiate Coinsurance amounts with Provider and inform Script Care, or its agent, of all changes in said amounts, if any.

7. RESPONSIBILITIES OF SCRIPT CARE.

It is understood and agreed by the parties hereto that Script Care is not a party to the ICA between the Hospital District and the Provider and that the services provided by Script Care under this Agreement are for Administrative Services (as said term is defined herein) only and that Script Care is not providing a pharmacy network. Script Care will not be responsible for any actions of the Provider Pharmacy in relationship with the prescription drug program. Additionally, the parties acknowledge and agree that Script Care is neither a guarantor or a surety with respect to the obligation of the Hospital District to reimburse Provider for any Covered Prescription Benefits provided under the Program.

7.1 Subject to the performance standards described in Section 7.2 below, Script Care agrees to perform the following Administrative Services in a timely, responsible and professional

manner, except as to any delays due to commercial impracticability:

- 7.1.1 Provide all personnel, equipment, software and facilities necessary to perform the claims adjudication operations for all claims submitted under this Agreement; and
- 7.1.2 Adjudicate all claims submitted by Provider for approval or disapproval in accordance with the provisions of Schedule "A" attached hereto.
- 7.2 Script Care agrees to provide all the Administrative Services described in Schedule "B" and the reports identified in Schedule "C", in a timely, responsible and professional manner, except as to any delays due to commercial impracticability.
- 7.3 Script Care agrees to notify the Hospital District in writing in the event it no longer complies with any or all of the Assurances and Certifications (attached hereto as Exhibit "A") it submitted to the Hospital District as a portion of its response to the RFP.
- 7.4 Script Care agrees to provide the Hospital District written proof of insurance coverage prior to the Commencement Date, and annually thereafter, as follows:
  - 7.4.1 Commercial General Liability with limits of \$1,000,000 (per occurrence) and \$2,000,000 (aggregate);
  - 7.4.2 Workers Compensation with limits per State of Texas statutes; and
  - 7.4.3 Professional Liability with limits of \$1,000,000 (per occurrence) and \$2,000,000 (Aggregate).
- 7.5 Script Care agrees to acquire a performance surety bond which guarantees that the Administrative Services provided by Script Care to the Hospital District under this Agreement will be completed according to the terms of this Agreement. Additionally, Script Care agrees to provide the Hospital District written proof of said bond prior to the Commencement Date, and annually thereafter.

8. PAYMENT FOR SERVICES.

- 8.1 For each prescription claim adjudicated and re-adjudicated by Script Care under this Agreement, the Hospital District shall pay Script Care upon the price terms set forth in Schedule "B" attached hereto.
- 8.2 As a condition to the Hospital District's payment for services to Script Care under Section 8.1 above, Script Care shall submit a written and detailed invoice to the Hospital District twice per month (on or about the 1<sup>st</sup> and 15<sup>th</sup> of each month) and the reports detailed in Schedule "C" attached hereto. The details of the invoice shall be determined by Hospital District. Hospital District shall remit payment to Script Care within ten (10) working days of receipt of such invoices and said remittance shall be mailed to the Script Care address set forth in Section 13 of this Agreement. In the event of a dispute of any amount in an invoice, all undisputed amounts will be timely paid and a written notice sent detailing any disputed amounts. For a period of 30 days after the date of the disputed invoice, the parties will have the right to audit the portion of both parties' books and records that relate to the subject of the dispute. The parties will work together to reconcile any disputed amounts during this 30 day period.

9. NO SUBCONTRACTING OR ASSIGNMENT BY SCRIPT CARE; BINDING EFFECT.

Script Care shall not subcontract or assign this Agreement to any other party or parties without the prior written consent of Hospital District. Hospital District may assign this Agreement without the consent of Script Care to any succeeding governmental entity assuming the responsibilities of Hospital District or to any subsidiary of the Hospital District. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

10. RELATIONSHIP OF HOSPITAL DISTRICT AND SCRIPT CARE.

With respect to each other, Hospital District and Script Care are independent contractors, and this Agreement shall not be construed to create any other relationship between the parties.

11. AMENDMENT AND MODIFICATION.

This Agreement may not be amended or modified in any manner whatsoever except by written agreement signed by duly authorized representatives of each party.

12. SCHEDULES AND EXHIBITS.

Schedules and exhibits means the attached documents setting out certain particulars of this Agreement, or any replacement documents thereof. All schedules and exhibits referred to in this Agreement are incorporated herein by reference and are hereby made part of this Agreement.

13. NOTICES.

Any notices to be given hereunder by either party to the other shall be in writing and may be effected by (1) personal delivery; (2) commercial courier; (3) certified mail, postage pre-paid with return receipt requested; (4) facsimile with receipt acknowledgment; or (5) depositing the same into the custody of a nationally recognized overnight delivery service, addressed as follows:

If to Hospital District:

Nueces County Hospital District  
Attn: Jonny F. Hipp, ScD, Administrator  
555 North Carancahua Street, Suite 950  
Corpus Christi, Texas 78401-0835  
Phone: (361) 808-3300  
Fax: (361) 808-3274

If to Script Care:

Script Care, Inc.  
Attn: James F. Brown, R.Ph., President  
6380 Folsom Drive  
Beaumont, Texas 77706  
Phone: (800) 880-9902  
Fax: (409) 833-7435

14. CAPTIONS AND HEADINGS.

The captions and headings used herein are for convenience only and do not limit the contents of this Agreement.



15. COUNTERPARTS.

This Agreement may be executed in counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same agreement.

16. SEVERABILITY.

If any term(s) or provision(s) contained in this Agreement is determined by a court of competent jurisdiction to be void, illegal or unenforceable, in whole or in part, then the other term(s) and provision(s) contained herein shall remain in full force and effect as if the term(s) and provision(s) which was determined to be void, illegal, or unenforceable had not been contained herein.

17. DATA/CLAIMS PROCESSING SERVICE.

The Hospital District acknowledges and agrees that all data/claims processing services provided by Script Care under this Agreement shall be provided by the authorized agent of Script Care. Script Care makes no express warranties as to such data/claims processing services and no warranties are to be implied, including implied warranties of merchantability and fitness for a particular purpose.

18. GOVERNING LAW AND VENUE.

This Agreement has been executed and delivered and shall be interpreted and enforced in accordance with the laws of the State of Texas and venue shall be in Nueces County, Texas.

19. FORCE MAJEURE.

Neither party shall be liable for failure to perform its obligation under this Agreement if prevented from doing so by commercial impracticability, including, but not limited to, acts of God or nature, fires, storms, floods, earthquakes, riots, strikes, wars, or restraints of government.

20. ENTIRE AGREEMENT.

This Agreement, including any schedules, exhibits, or amendments, NCHD's RFP# 2013-02 and Script Care's entire response, which although not attached are incorporated herein by reference and made a part of this Agreement as if set forth in full, shall constitute the entire agreement of the parties concerning the provision of services and supercedes all prior and contemporaneous representations, statements, understandings, negotiations and agreements, either oral or in writing, between the parties hereto with respect to the subject matter herein and all such prior or contemporaneous representations, statements, understandings, negotiations and agreements, both oral and written, are hereby terminated.

21. WAIVER.

No waiver of any breach of any of the provisions of this Agreement shall constitute a waiver of any prior, concurrent, or subsequent breach of the same or other provisions hereof and no waiver shall be effective unless made in writing and signed by a duly authorized representative of the party making said waiver.

22. TERM AND RENEWAL.

22.1 Term. This Agreement shall commence at 12:01 a.m. on January 1, 2014 (the "Commencement Date") and, unless otherwise terminated pursuant to Section 23 below, it shall terminate at 11:59 p.m. on December 31, 2014 (the "Termination Date").

22.2 Renewal. Subject to satisfactory performance of Script Care's responsibilities under this Agreement as determined by Hospital District, the term of this Agreement may be renewed by Hospital District for two (2) additional one (1) year periods. Such renewal(s), if any, shall be by mutual written agreement of the parties. The Hospital District shall provide Script Care written notice of its intent to renew not less than forty-five (45) days prior to the Termination Date.

23. TERMINATION.

23.1 Termination by Hospital District. Hospital District may terminate this Agreement without cause upon ninety (90) days written notice to Script Care.

23.2 Termination by Script Care. Script Care may terminate this Agreement without cause but must give Hospital District ninety (90) days written notice before said termination becomes effective. During the interim from the date Script Care's written notice of termination is received by Hospital District until the ninety (90) day notice period ends, Script Care shall continue to provide its services to the Hospital District in a timely, responsible and professional manner, except as to any delays due to commercial impracticability.

23.3 Termination by Mutual Consent. This Agreement may be terminated by mutual written consent of the parties.

23.4 Termination by Default. Either party may terminate this Agreement after five (5) calendar days written notice if the other party is in default of any provision of this Agreement and has failed to cure the default within ten (10) calendar days following written notice of such default.

23.5 Automatic Termination. Unless NCHD has exercised its renewal option as described in Section 22.2 above, this Agreement shall automatically terminate on the Termination Date.

23.6 Transfer of Hospital District's Files and Records Following Termination. Following termination of Script Care's services under any of the provisions of this Section 23, Script Care shall within five (5) working days facilitate the transfer of any and all of the Hospital District's files and records to the person then designated to Script Care in writing by the Hospital District. The transfer of said files and records shall be at the sole cost and expense of the Hospital District.

24. POWER AND AUTHORITY.

Each of the persons who has executed this Agreement on behalf of one of the parties hereto warrants that he has the power and authority to execute this agreement on behalf of such party and to bind such party to the terms and provisions of this Agreement.

25. OTHER PERFORMANCE.

This Agreement is non-exclusive. The Hospital District acknowledges and agrees that this Agreement shall not preclude Script Care from providing similar services to other customers. The Hospital District shall have the right, power and authority to contract with others to perform the services agreed to be provided by Script Care under this Agreement.

26. RECORDS AND ACCESS.

The records (including billing records) maintained by Script Care relating to services provided under this Agreement are the property of the Hospital District, and Script Care shall comply with all applicable regulatory record retention rules and regulations with regard to maintaining such records. Upon written request of the Hospital District or any of its duly authorized agents or representatives, Script Care shall make available to the District those records, books and documents necessary to verify the nature and extent of services provided and Script Care's related billings for services provided during the term of this Agreement. The parties agree that any attorney-client, accountant-client privilege or any other legal privilege shall not be deemed waived by virtue of this Section 26.

27. REFUND OF OVERPAYMENT.

Script Care agrees that if any inspection or audit of its records discloses any overpricing of services or errors in the use of fees or otherwise which result in overpayment by Hospital District, the amount of the overpayment, plus interest at prevailing rates during the period of overpricing, shall be refunded to Hospital District promptly upon demand by cashiers check, or Hospital District, at its option, may withhold such overpayment from any amounts otherwise due Script Care under this Agreement.

28. CONFIDENTIALITY OF INFORMATION.

Neither party shall disclose any information or knowledge concerning the other party's claims, accounting procedures, or histories, all of which are deemed confidential information, except as otherwise required by law. Script Care agrees to take any and all reasonable precautions to prevent disclosure or misuse of any and all information described in this Section 28 for any purpose unrelated to the administration of the services provided under this Agreement.

28.1 Script Care further agrees to abide by the Federal Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320(d))("HIPAA") and keep private and to secure any information considered Protected information in accordance with federal law. Further, the Business Associate Agreement appended hereto as Exhibit "B" is a part of this Agreement and fully incorporated herein for all purposes.

28.2 If NCHD is requested to disclose any proprietary proposal data furnished to it by Script Care in its response to RFP# 2013-02 and designated "confidential" that is subject to provisions of the Public Information Act, NCHD will notify Script Care in writing of such request within ten (10) business days of receipt of the request. Information must be marked confidential before NCHD will notify Script Care of any Public Information Act request. Script Care upon notification bears the burden of establishing that its trade secrets and/or confidential commercial and/or financial information should be withheld under the applicable Public Information Act exceptions intended to protect its interests.

29. USE OF INFORMATION.

All data, information, and knowledge supplied to Script Care by Hospital District under terms of this Agreement shall be used by Script Care exclusively for the purposes of performing this Agreement. The Hospital District shall retain full ownership rights over any and all data, information, knowledge and reports created by Script Care under this Agreement.

30. INDEMNIFICATION.

To the extent permitted by law without establishing a sinking fund, the Hospital District agrees to indemnify, defend and hold Script Care harmless from and reimburse Script Care on demand for any claim, demand, action, liability, damage, loss, cost or expense, including reasonable attorneys fees, brought against, made upon, or incurred by Script Care because of or arising out of any act or omission (including without limitation any breach thereof) of Hospital District, its officers, directors, employees, subcontractors or principals. Script Care agrees to indemnify, defend and hold Hospital District harmless from and reimburse Hospital District on demand for any claim, demand, action, liability, damage, loss, cost or expense, including reasonable attorneys fees, brought against, made upon, or incurred by Hospital District because of or arising out of any act or omission (including without limitation any breach thereof) of Script Care, its officers, directors, employees, subcontractors or principals. The indemnifications provided for in this Section 30 shall survive the termination of this Agreement.

31. ENFORCEMENT.

In the event either party shall be required to enforce the terms of this Agreement the prevailing party shall be entitled to recover the costs of such action, including but not limited to reasonable attorney's fees and related court costs.

32. FUNDING.

Script Care acknowledges that Hospital District's funding of the services to be provided the District under this Agreement are for the initial one-year term and funding of subsequent years, if any, is subject to continued annual budget appropriation by the Hospital District Board of Managers as approved by Nueces County Commissioners Court.

[SPACE INTENTIONALLY LEFT BLANK]

33. ADMINISTRATION OF AGREEMENT.

Script Care acknowledges that the Hospital District has designated its Director of Administrative Services to administer this Agreement and to serve as the initial point of contact between Script Care and the Hospital District.

**AGREED, SIGNED and ENTERED INTO** by the duly authorized representatives of Hospital District and Script Care, Inc., on this the 5<sup>th</sup> day of DECEMBER, 2013

**NUECES COUNTY HOSPITAL DISTRICT**  
("Hospital District")

**SCRIPT CARE, INC.**  
("Script Care")

Jonny F. Hipp  
Jonny F. Hipp, ScD, FACHE  
Administrator/Chief Executive Officer

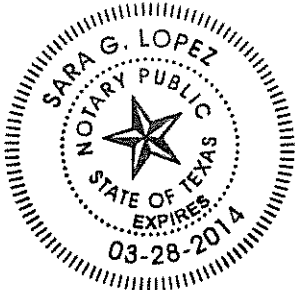
James F. Brown  
James F. Brown, R.Ph.  
President

Script Care, Inc. Federal Employer  
Identification Number 37-0621375

THE STATE OF TEXAS       §  
COUNTY OF NUECES       §

Before me, the undersigned, a Notary Public in and for county and state, on this date personally appeared Jonny F. Hipp, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of Nueces County Hospital District, political subdivision of the State of Texas, and that he executed the same as the act of such political subdivision for the purposes and considerations therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 5<sup>th</sup> day of DECEMBER, 2013



Sara G. Lopez  
Notary Public, State of Texas

THE STATE OF TEXAS       §  
COUNTY OF JEFFERSON   §

Before me, the undersigned, a Notary Public in and for county and state, on this date personally appeared James F. Brown, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of Script Care, Inc., a privately held Texas Corporation, and that he executed the same as the act of such corporation for the purposes and considerations therein expressed, and in the capacity therein stated.

2013 GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16th day of December



*Kathy Cannon Stanley*  
Notary Public, State of Texas