

ALBERTA BLUE CROSS
PHARMACEUTICAL SERVICES
PROVIDER AGREEMENT
(PHARMACY)

made effective

«EffecDate»
(the “Effective Date”)

BETWEEN: «LegalName»,
(legal entity)

Alberta Blue Cross Provider Number: «Lic»

who/which owns and operates a pharmacy business located at

Site Address: «SiteAdd1»
«SiteAdd2»
«City», «Prov» «PostalC»

under the name of

«OperName»,

Facsimile: «Fax»

and

Alberta Blue Cross

RECITALS:

- A. Alberta Blue Cross administers Plans on behalf of Plan Sponsors, including itself;
- B. The Provider wishes to provide Pharmaceutical Services and to submit Claims; and
- C. Alberta Blue Cross is able to receive, adjudicate, process and pay Claims.

THEREFORE in consideration of the mutual promises and agreements described in this Agreement, the parties promise and covenant as follows:

ARTICLE 1 DEFINITIONS

Unless otherwise expressly stated in this Agreement, the following words/phrases will have the following described meanings:

- 1.1 “Agreement” – means this Alberta Blue Cross Pharmaceutical Services Provider Agreement, including all recitals, all attached appendices and schedules and all written amendments.
- 1.2 “Alberta Blue Cross” – means the ABC Benefits Corporation established and continued under the ABC Benefits Corporation Act (Alberta).
- 1.3 “Best Price” – means, with respect to a particular Pharmaceutical Service which is a Drug Benefit, the lowest total Drug Benefits Fee charged by the Provider for that particular Drug Benefit.
- 1.4 “Claim” – means an electronic billing/claim for payment made by the Provider to Alberta Blue Cross regarding a Pharmaceutical Service which billing/claim for payment complies with the Coverage including, without limitation, Pharmaceutical Services Charges, and complies with all other applicable obligations and processes described in this Agreement.
- 1.5 “Compliance Verification Review” – means actions, reviews, steps, investigations, information gathering and processes as described and contemplated by the provisions of the attached Appendix “B” which may be/are conducted and performed by Alberta Blue Cross with respect to this Agreement for the purpose of verifying that the Provider has complied/is complying strictly with the provisions of this Agreement. For certainty:
 - (a) it does not include reviewing or investigating any professional practice matter which is within the authority of the regulatory or professional body having responsibility for the Provider;
 - (b) it does not include reviewing or investigating any of the Provider, the Provider’s affiliates, subsidiaries, owners, shareholders, directors, officers, employees, agents, contractors or partners or any other persons, corporations or other business organizations who do not deal at arms length with any of them with respect to professional allowances, profits, dividends, discounts, rebates, incentives, loyalty programs or other economic benefits between or among them;
 - (c) it does include visiting the location of the Provider’s pharmacy business; and
 - (d) it does include gathering information and then reviewing and/or analyzing such information using methods, actions and steps which are consistent with generally accepted auditing standards established from time to time.

- 1.6 “Co-payment” – means the Plan Member’s share of the total Pharmaceutical Services Charges which share is described in the Coverage and which share the Plan Member is obligated to pay according to the Coverage.
- 1.7 “Coverage” – means:
- (a) the portion or portions of each Plan which discuss, describe and/or define in writing, from time to time, Pharmaceutical Services, Pharmaceutical Services Charges and/or Claims including, without limitation, those rules, terms and conditions according to which a Plan Sponsor agrees to pay for Pharmaceutical Services, either directly or indirectly and either in whole or in part. For certainty, Coverage includes the rules, terms and conditions between Alberta Blue Cross and a Plan Sponsor and according to which Alberta Blue Cross is to receive, adjudicate, process and pay Claims; and
 - (b) the provisions of any appendix and/or schedule attached hereto which, from time to time, discusses, describes, defines and/or relates to Pharmaceutical Services, Pharmaceutical Services Charges and/or Claims, but only to the extent that such provisions are consistent with the provisions of the applicable Plan and are not in conflict with the provisions of the applicable Plan.
- 1.8 “Dispense”, “Dispensed”, “Dispensing” or “Dispenses” – means providing Pharmaceutical Services which according to law and/or the Coverage must be provided by the Provider according to a Prescription.
- 1.9 “Dispensing Fee” - means the portion of a Drug Benefits Fee which is payable for Dispensing and the amount of which is discussed, described and/or defined in writing, from time to time, in the Coverage.
- 1.10 “Drug Benefits” – means those drugs, drug products and/or products discussed, described and/or defined in writing, from time to time, in the Coverage including, without limitation, those which must be Dispensed.
- 1.11 “Drug Benefits Fees” – means those prices, professional fees and other payments discussed, described and/or defined in writing, from time to time, in the Coverage regarding the provision of Drug Benefits.
- 1.12 “Licence” – means the legal authority to operate or practice as a Provider which licence is granted by the regulatory body having responsibility in the jurisdiction within which the Provider operates or practices.
- 1.13 “Pharmaceutical Services” – means Drug Benefits, Provider Services and/or Pharmacy Services to be provided to and for the benefit of Plan Members.
- 1.14 “Pharmaceutical Services Charges” – means the terms, conditions, rules, restrictions, prices, costs and/or fees relating to the Provider’s authority to provide, to bill and/or to claim for Pharmaceutical Services discussed, described and/or defined in writing, from time to time, in the Coverage including, without limitation, Drug Benefits Fees, Provider Services Fees and Pharmacy Services Fees.
- 1.15 “Pharmacist” – means an individual and/or an individual’s professional corporation who/which is legally authorized by Licence, permit, Registration or other lawful authority to provide Pharmaceutical Services.

- 1.16 “Pharmacy” – means a proprietorship, partnership, corporation, business organization or other legal entity which is legally authorized by Licence, permit, Registration or other lawful authority to provide Pharmaceutical Services.
- 1.17 “Pharmacy Services” – means those professional clinical services provided by the Provider, discussed, described and/or defined in writing, from time to time, in the Coverage of Plans for which the Plan Sponsor is the Government of Alberta (Alberta Health) including, without limitation, annual care plans, medication management assessments, assessments for adapting a Prescription, prescribing in an emergency situation, administering drugs by injection, renewing a Prescription and initiating medication therapy.
- 1.18 “Pharmacy Services Fees” – means those prices, professional fees and other payments discussed, described and/or defined in writing, from time to time, in the Coverage regarding the provision of Pharmacy Services.
- 1.19 “Plan” – means the written form by which and in which a Plan Sponsor discusses, describes, and/or defines, from time to time, those persons who are eligible to request and to be provided with benefits, which benefits are to be paid for by the Plan Sponsor, either directly or indirectly and either in whole or in part, including, without limitation, the Coverage. For certainty, in this definition:
- (a) “written form” includes, without limitation, firstly, legislation, regulations, ministerial orders, programs, policies, memorandums, letters, e-mails or faxes and any combination thereof; and secondly, any agreements/communications between the Plan Sponsor and Alberta Blue Cross whereby Alberta Blue Cross is engaged and authorized to act on behalf of the Plan Sponsor to administer the Plan according to the Coverage including, without limitation, the authority to receive, adjudicate, process and pay Claims;
 - (b) “benefits” includes, without limitation, Pharmaceutical Services; and
 - (c) “are to be paid for by the Plan Sponsor” includes, without limitation, Pharmaceutical Services Charges.
- 1.20 “Plan Member” – means those persons who are eligible to request and to be provided with Pharmaceutical Services according to a Plan.
- 1.21 “Plan Sponsor” – means any of a government, a government department or a government agency, an individual, or an employer on behalf of and for the benefit of its employees and their dependants and/or the employer’s retirees.
- 1.22 “Prescriber” – means an individual or an individual’s professional corporation who/which is legally authorized by Licence, permit, Registration or other lawful authority to prepare and deliver a Prescription for the benefit of a Plan Member.
- 1.23 “Prescription” – means a direction by a Prescriber for the provision of a Pharmaceutical Service which direction is in a form required by law and/or by the Coverage.
- 1.24 “Provider” – means the business organization, professional corporation or individual(s) described on the title page of this Agreement which/who is legally authorized by Licence, permit, Registration or other lawful authority to provide Pharmaceutical Services.
- 1.25 “Provider Services” – means those professional and other services discussed, described and/or defined in writing, from time to time, in the Coverage and which services are not Drug Benefits and are not Pharmacy Services.

- 1.26 “Provider Services Fees” – means those prices, professional fees and other payments discussed, described and/or defined in writing, from time to time, in the Coverage regarding the provision of Provider Services.
- 1.27 “Registration” – means a registration to operate or practice as a Provider which is granted by the regulatory body having responsibility in the jurisdiction within which the Provider operates or practices.

ARTICLE 2 TERM AND TERMINATION

- 2.1 This Agreement is and will remain in full force and effect from the Effective Date described on the title page for an indeterminate period of time unless it is terminated earlier according to the processes described in this Article.
- 2.2 This Agreement may be terminated, without reasons:
- (a) by the Provider giving Alberta Blue Cross at least 30 days prior notice of its decision to terminate, which notice must stipulate an effective termination date; and
 - (b) by Alberta Blue Cross giving the Provider at least 60 days prior notice of its decision to terminate, which notice must stipulate an effective termination date.
- 2.3
- (a) Alberta Blue Cross may terminate this Agreement effective immediately by giving notice to the Provider when:
 - (i) the Provider’s legal authority to provide Pharmaceutical Services is revoked, cancelled, terminated, suspended or expires, or
 - (ii) the Provider is the subject of bankruptcy, insolvency, receivership, reorganization, dissolution or winding up proceedings; and
 - (b) The Provider may terminate this Agreement effective immediately by giving notice to Alberta Blue Cross when Alberta Blue Cross is the subject of bankruptcy, insolvency, receivership, dissolution or winding up proceedings.
- 2.4 Both parties will notify the other party as soon as reasonably possible regarding the occurrence of any applicable proceedings described in Section 2.3.
- 2.5 When this Agreement is terminated the rights and obligations of the parties arising or accruing prior to the effective date of termination are not affected or released.

ARTICLE 3 PROVISION OF AND CLAIMS FOR PHARMACEUTICAL SERVICES

- 3.1 The Provider will provide Pharmaceutical Services according to the applicable legislation/regulations of the jurisdiction in which the Pharmaceutical Service is provided and according to the provisions of this Agreement including, without limitation, according to the applicable Coverage.
- 3.2 Notwithstanding Section 3.1, the Provider may refuse to provide a Pharmaceutical Service.
- 3.3 Upon receiving a request from the Provider by telephone, by mail or by electronic transmission, Alberta Blue Cross will advise the Provider promptly as to the applicable Coverage.

3.4

- (a) When the Provider provides a Pharmaceutical Service, the Provider, acting reasonably, will submit a Claim;
- (b) All Claims including, without limitation, the Pharmaceutical Services Charges described therein, must comply with the applicable Coverage;
- (c) Subject to the provisions of subsection 14.2(a) and Section 18.1 of this Agreement, Coverage includes the charges, prices and/or fees described in the attached Appendix "A";
- (d) The Provider will not charge Plan Members and will not collect from Plan Members nor attempt to collect from Plan Members, either directly or indirectly, any amount which exceeds the maximum charges, prices and/or fees described in the applicable Coverage unless that Coverage specifically authorizes the Provider to do so; and
- (e) Alberta Blue Cross will only pay Claims which comply strictly with the applicable Coverage.

3.5

- (a) Alberta Blue Cross is not liable to pay to the Provider any charge, price and/or fee which according to the Coverage is payable by the Plan Member including, without limitation, the Co-payment;
- (b) It is the Plan Member's obligation to pay his/her full Co-payment. Accordingly, the Provider will collect from each Plan Member his/her full Co-payment (i.e. no more/no less) on the day that the Pharmaceutical Service is provided or as soon thereafter as is reasonably possible; and
- (c) Should the Provider neglect, refuse or otherwise fail to fulfill its obligation under subsection 3.5(b) hereof, then the amount of any resulting reduction or discount of the Plan Member's Co-payment must be shared proportionately between the Plan Member and Alberta Blue Cross.

3.6 For a Pharmaceutical Service which is a Drug Benefit:

- (a) The Provider will not knowingly:
 - (i) charge Plan Members more than the Best Price,
 - (ii) submit a Claim for more than the Best Price, and
 - (iii) collect from Plan Members nor attempt to collect from Plan Members, either directly or indirectly, any amount which exceeds the Best Price;
- (b) Alberta Blue Cross is not required to pay a Claim for more than the Best Price;
- (c) Nothing in this Section 3.6 is intended to restrict the Provider from setting or determining its charges, prices and/or fees for Drug Benefits provided to its customers who are not Plan Members; and
- (d) Notwithstanding anything contained in this Agreement to the contrary, the obligations described in subsections 3.6(a), (b) and (c) do not apply to certain financial results of the Frequent Dispensing Policy where specifically described and discussed in Appendix "C".

- 3.7 If Alberta Blue Cross determines that a Claim is not proper, either in form or in substance, then Alberta Blue Cross will notify the Provider promptly by telephone, by mail or by electronic transmission and will provide appropriate details.
- 3.8 If the Provider makes an error in a Claim, then the Provider will correct the error and will submit a new Claim to Alberta Blue Cross within 14 days of the date the Claim is returned to the Provider for correction.
- 3.9 If after paying a Claim Alberta Blue Cross determines that a Claim is in error, then any overpayment or underpayment identified by Alberta Blue Cross will be due and payable immediately by the Provider or Alberta Blue Cross, as applicable.
- 3.10 If Alberta Blue Cross is unable to receive, adjudicate, process and/or pay Claims due to technological problems/difficulties, then:
- (a) should the problem/difficulty rest solely within Alberta Blue Cross's electronic system, Alberta Blue Cross will pay to the Provider a monthly advance against Claims already received and Claims yet to be submitted. The monthly advance will be calculated using the previous month's paid Claims; and
 - (b) should the problem/difficulty not rest solely within Alberta Blue Cross's electronic system, Alberta Blue Cross will have no obligation to advance money to the Provider as contemplated by subsection 3.10(a).
- 3.11 Alberta Blue Cross will have the right, from time to time, to conduct Compliance Verification Reviews. Such Compliance Verification Reviews must be conducted by Alberta Blue Cross according to the provisions of the attached Appendix "B". During any and all Compliance Verification Reviews the Provider will co-operate fully with Alberta Blue Cross including, without limitation, the Provider will comply fully with its obligations described in Appendix "B".
- 3.12 All Plan Sponsors and Alberta Blue Cross are not liable for any injury to a Plan Member for claims made by a Plan Member or for legal actions commenced by a Plan Member which arise out of and/or result from the provision of a Pharmaceutical Service.

ARTICLE 4 CONFIDENTIALITY

- 4.1 All personally identifiable records regarding Plan Members will be kept confidential by Alberta Blue Cross and by the Provider according to and consistent with applicable privacy legislation.
- 4.2 Alberta Blue Cross may utilize information relating to Dispensing Fees as part of Alberta Blue Cross's ongoing processes and procedures to analyze, review and report upon such information by way of written reports and/or electronic mediums including, without limitation, a website presentation.
- 4.3 The rights and obligations of the parties in this Article 4 will survive the termination of this Agreement.

ARTICLE 5 NO PARTNERSHIP

- 5.1 Nothing in this Agreement will be interpreted as creating a partnership agreement or partnership relationship between the Provider and Alberta Blue Cross.

ARTICLE 6 ADVERTISING AND PROMOTION

- 6.1 Subject to Section 6.2, Alberta Blue Cross may, but is not obligated to, provide the Provider with a display decal and other promotional materials which notify Plan Members that the Provider is authorized to electronically direct bill Alberta Blue Cross with respect to Pharmaceutical Services.
- 6.2 Alberta Blue Cross reserves all its rights to use and to control the use of its words, symbols, trademarks and service marks presently existing or hereafter established. The Provider will not use Alberta Blue Cross's words, symbols, trademarks or service marks in any advertising or promotional materials without Alberta Blue Cross's prior consent. The Provider will cease any and all use of such words, symbols, trademarks and service marks immediately upon the termination of this Agreement.

ARTICLE 7 NOTICE

- 7.1 Except as otherwise stated herein, all notices, requests, advice, reports, approvals, directions, communications and consents between the parties as contemplated or required by the provisions of this Agreement must:
- (a) be in writing;
 - (b) be given using the information in Section 7.3 and by using any of:
 - (i) personal courier delivery, or
 - (ii) facsimile transmission.
- 7.2 For the purposes of Section 7.1:
- (a) delivery by personal courier will be deemed given and received on the date delivered by the courier; and
 - (b) delivery by facsimile transmission will be deemed given and received on the day indicated in the confirmation receipt.
- 7.3
- (a) The address for personal courier delivery and the facsimile number of Alberta Blue Cross are as follows:
ALBERTA BLUE CROSS
10009 – 108 Street
Edmonton, Alberta T5J 3C5a
Attention: Pharmacy Agreement Coordinator
Facsimile: 780-498-3549; and
 - (b) The address for personal courier delivery and the facsimile number of the Provider are as described on the title page of this Agreement.
- 7.4 The addresses and facsimile numbers in Section 7.3 may be changed, from time to time, by written notice to the other party.

ARTICLE 8 CURRENCY

8.1 All monies payable hereunder will be paid in Canadian dollars.

ARTICLE 9 LAWS OF ALBERTA

9.1 This Agreement will be construed and will be interpreted according to the laws of the Province of Alberta and the courts of the Province of Alberta will have exclusive jurisdiction regarding the interpretation and enforcement of this Agreement.

ARTICLE 10 INVALIDITY

10.1 The invalidity of any particular provision of this Agreement will not affect any other provision and this Agreement will be construed as if such invalid provision is deleted unless such invalid provision is a fundamental or material provision hereof.

ARTICLE 11 NO WAIVER/REMEDIES

11.1 The failure of a party at any time to require strict performance by the other party of any obligation described herein will in no way affect the right thereafter to enforce such obligation. No waiver by either party of any breach or default of any provision of this Agreement will be taken or held to be a waiver of any further or future breach or default of the same provision.

11.2 Unless otherwise expressly stated in this Agreement, a failure by a party to comply with or to perform its obligations described herein will entitle the other party to pursue all available remedies at law or in equity. Each party is able to pursue all available remedies either individually or in any combination.

ARTICLE 12 ENTIRE AGREEMENT

12.1 It is acknowledged and confirmed firstly, that this Agreement contains all of the promises, agreements and covenants of the parties with regard to the matters dealt with herein and secondly, that there are no other promises, agreements or covenants, oral or otherwise, between the parties except as expressly described herein.

ARTICLE 13 ENUREMENT

13.1 This Agreement will enure to the benefit of and be binding upon the parties, the successors and assigns of Alberta Blue Cross and the Provider's successors, heirs, executors, administrators and personal legal representatives, as applicable.

13.2 This Agreement is not assignable by the Provider without the prior consent of Alberta Blue Cross which consent may be arbitrarily withheld.

ARTICLE 14 AMENDMENT

14.1 Subject to Section 14.2, this Agreement may be amended only by a written agreement signed and delivered by the parties.

14.2

- (a) Each Plan Sponsor for itself and Alberta Blue Cross on behalf of each Plan Sponsor may, from time to time, in writing determine, amend, vary, modify, extend or otherwise make changes to its respective Coverage (the “Changes”) and the Provider acknowledges and agrees that each Plan Sponsor for itself and Alberta Blue Cross on behalf of each Plan Sponsor will and does have the absolute and unfettered right and discretion to make Changes;
- (b)
- (i) Notwithstanding the provisions of subsection 14.2(a) hereof, if a Plan Sponsor for itself or Alberta Blue Cross on behalf of a Plan Sponsor reduces one or more of the financial portions of the Drug Benefits Fees described in Appendix “A”, excepting the Manufacturer’s List Price, the Least Cost Alternative Price and the Base Price, then the Provider may continue to charge and to collect from the Plan Member the difference between:
- the maximum charges, prices and/or fees referenced in Section 2.1 of Appendix “A” and otherwise described in Appendix “A”, and
 - the reduced charges, prices and/or fees which Alberta Blue Cross will pay according to the Changes; and
- (ii) for certainty, the provisions of paragraph 14.2(b)(i):
- do not apply when the maximum charges, prices and/or fees (or other portions of the Drug Benefits Fees) described in Appendix “A” have expired,
 - do not apply to the Authorized Adjustment Policy contemplated and described in Section 2.8 of Appendix “A”, and
 - do apply to Appendix “C” except for the financial matters and/or circumstances described and contemplated in the paragraphs 2.1(b)(ii) and 2.2(b)(ii) and in the last sentence of paragraphs 2.1(b)(i) and 2.2(b)(i) of Appendix “C”.
- (c) Alberta Blue Cross will use best commercial efforts to notify the Provider of substantive Changes. Alberta Blue Cross may effect this notice by and through Alberta Blue Cross’s “The Pharmacy Benefact” publication or by and through such other written means as Alberta Blue Cross in its sole discretion decides.

ARTICLE 15 WORDS

- 15.1 Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement, the same will be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the circumstance or context so requires.

ARTICLE 16 CALENDAR DAYS

- 16.1 All references to “days” in this Agreement mean calendar days.

ARTICLE 17 EFFECTIVE DATE

17.1 Notwithstanding when this Agreement is signed and delivered, Alberta Blue Cross and the Provider agree that this Agreement will be effective as of the Effective Date described on the title page.

ARTICLE 18 PARAMOUNTCY

18.1 If there is any conflict with and/or inconsistency between the provisions of any appendix and/or schedule attached to this Agreement and the provisions of a Plan regarding Coverage including, without limitation, Pharmaceutical Services, Pharmaceutical Services Charges and/or Claims, then in all cases the provisions of each Plan will govern and will be paramount.

18.2 If there is any conflict with and/or inconsistency between the provisions of the body of this Agreement and the provisions of a Plan regarding Coverage including, without limitation, Pharmaceutical Services, Pharmaceutical Services Charges and/or Claims, then in all cases the provisions of the body of this Agreement will govern and will be paramount. In this Section “body of this Agreement” means pages 1 through 12 of this Agreement.

ARTICLE 19 MAKE AWARE

19.1 If the Provider is a Pharmacy or other business organization which employs or otherwise retains Pharmacists or other authorized professionals to provide Pharmaceutical Services on its behalf, then the Provider will ensure that such professionals are aware of and generally familiar with the provisions of this Agreement and in particular the provisions of the attached Appendix “A” and Appendix “C”.

ARTICLE 20 COUNTERPARTS

20.1 This Agreement may be signed in any number of counterparts each of which, when so signed and delivered, will be deemed to be an original and all such counterparts together will constitute one and the same instrument. Regardless of the date of the signing, all such counterparts will be deemed effective as of the Effective Date described on the title page.

ARTICLE 21 DELIVERY

21.1 All signed counterparts sent and received by facsimile transmission will be deemed to be as valid as an originally signed and personally delivered signature page of this Agreement.

Intentionally left blank

This Agreement has been signed by Alberta Blue Cross and has been signed by the Provider to be effective as of and after the Effective Date described on the title page.

PROVIDER (PHARMACY)

«LegalName»

Legal Entity

«Lic»

Alberta Blue Cross Provider Number

Per: _____
Signature (I have authority to sign)

Witness Signature

Print Name, Title

Print Witness's Name

Date Signed

Date Witnessed

Per: _____
Signature (I have authority to sign)

Witness Signature

Print Name, Title

Print Witness's Name

Date Signed

Date Witnessed

ALBERTA BLUE CROSS

Per: _____
Signature (I have authority to sign)

Per: _____
Signature (I have authority to sign)

Print Name, Title

Print Name, Title

Date Signed

Date Signed

APPENDIX "A"

PROVISION OF PHARMACEUTICAL SERVICES/CLAIMS FOR PHARMACEUTICAL SERVICES/PHARMACEUTICAL SERVICES CHARGES

When a Provider provides a Pharmaceutical Service and when a Provider submits a Claim, the provisions of this Appendix "A" are applicable. However, it is acknowledged that the provisions of this Appendix "A" are expressly subject to the provisions of subsection 14.2(a) and Section 18.1 of this Agreement.

SECTION 1 PROVISION OF AND CLAIMS FOR PHARMACEUTICAL SERVICES.

- 1.1 Alberta Blue Cross will pay Claims only according to the applicable Coverage.
- 1.2
 - (a) The Provider must submit a Claim to Alberta Blue Cross within 14 days of the Service Date. For the purpose of this Appendix "A", "Service Date" means the day on which the Pharmaceutical Service is provided to or is made available to the Plan Member, whichever is earlier;
 - (b) If Alberta Blue Cross receives a Claim after the 14 day time period, then Alberta Blue Cross may, in its reasonable discretion, refuse to adjudicate, process and/or pay the Claim; and
 - (c) If a Pharmaceutical Service has not been provided to the Plan Member within 30 days of the day when the Pharmaceutical Service is available to the Plan Member and the Provider has submitted a Claim, then the Provider must reverse the Claim and where applicable adjust its Drug Benefits inventory accordingly.
- 1.3 Alberta Blue Cross will pay an approved Claim within 21 days of receiving the Claim.
- 1.4 If this Agreement is terminated:
 - (a) The Provider's access to Alberta Blue Cross's electronic claiming system and the Provider's ability to submit Claims for Pharmaceutical Services will continue for a period of 30 days from the effective date that this Agreement is terminated but only for Pharmaceutical Services which have been provided prior to the effective date that this Agreement is terminated; and
 - (b) Alberta Blue Cross may withhold payment of all money owing to the Provider for Claims until such time as a final reconciliation has been prepared and agreed to.
- 1.5 The Provider must retain all applicable Prescriptions, Supplementary Documentation (defined in Appendix "B") and Supplementary Prescription Documentation (defined in Appendix "B") for not less than 2 years from the day that each Claim is paid by Alberta Blue Cross.

SECTION 2 PHARMACEUTICAL SERVICES CHARGES

- 2.1 Subject to the provisions of subsection 14.2(a) of this Agreement, the maximum charges, prices and/or fees described in this Appendix "A" are established only for the period of time from May 17, 2018 to March 31, 2026 at which time each will expire and be of no further effect.

2.2 This Section 2.2 applies to only Pharmaceutical Services which are Drug Benefits where the Drug Benefit is provided according to Coverage which adopts or uses the Manufacturer's List Price and/or the Least Cost Alternative Price as a reference point for pricing and in such circumstances the following are applicable:

- (a)
- (i) "Alberta Drug Benefit List" – means a listing created and varied, from time to time, at the direction of the Minister of Health and published by Alberta Blue Cross which listing contains, without limitation:
 - the drugs, the drug products and the products, individually or within interchangeable categories, discussed, described and/or defined in writing, from time to time, as benefits under those certain Plans sponsored by the Government of Alberta,
 - the processes pursuant to which a drug, a drug product or a product is listed,
 - the prices per unit of issue to be paid by Alberta Blue Cross for each listed drug, drug product and product, and
 - the criteria, if any, for eligibility to receive the benefits,
 - (ii) "Least Cost Alternative Price" – means the lowest price per unit of issue for a drug, a drug product or a product which is within an interchangeable category and which price is published, from time to time, in the Alberta Drug Benefit List,
 - (iii) "Manufacturer's List Price" – means the price per unit of issue for a drug, a drug product or a product which price is published, from time to time, in the Alberta Drug Benefit List,
 - (iv) "LCAP Cost" – means the portion of a Drug Benefits Fee which is calculated by multiplying the Least Cost Alternative Price by the quantity of the drug, the drug product or the product which is Dispensed,
 - (v) "MLP Cost" – means the portion of a Drug Benefits Fee which is calculated by multiplying the Manufacturer's List Price by the quantity of the drug, the drug product or the product which is Dispensed,
 - (vi) "Maximum Allowable Upcharge" – means the portion of a Drug Benefits Fee which is the aggregate of the Allowable Upcharge #1 and the Allowable Upcharge #2,
 - (vii) "Allowable Upcharge #1" – means, for the period of time from May 17, 2018 to March 31, 2026, the portion of a Drug Benefits Fee which is 3% of the LCAP Cost or the MLP Cost, whichever is applicable,
 - (viii) "Allowable Upcharge #2" – means:
 - for a drug, a drug product or a product which is within an interchangeable category, the portion of a Drug Benefits Fee calculated as follows:

- for the period of time from May 17, 2018 to March 31, 2026, an amount which is the lesser of firstly, 7% of the aggregate of the LCAP Cost and the Allowable Upcharge #1 and, secondly, \$100, and
 - for a drug, a drug product or a product which is not within an interchangeable category, the portion of a Drug Benefits Fee calculated as follows:
 - for the period of time from May 17, 2018 to March 31, 2026, an amount which is the lesser of firstly, 7% of the aggregate of the MLP Cost and the Allowable Upcharge #1 and, secondly, \$100;
- (ix) “Dispensing Fee” – means, for the period of time from May 17, 2018 to March 31, 2026, the portion of a Drug Benefits Fee which is a maximum fee of \$12.15 for each act of Dispensing;
- (b) For a drug, a drug product or a product which is within an interchangeable category and which is Dispensed:
 - (i) the maximum Drug Benefits Fee which is chargeable by the Provider and which is payable by Alberta Blue Cross is the aggregate of:
 - the LCAP Cost,
 - the Maximum Allowable Upcharge, and
 - the Dispensing Fee, and
 - (ii) notwithstanding paragraph 2.2(b) (i) hereof, if at the request of the Plan Member the Provider Dispenses a drug, a drug product or a product within an interchangeable category which has a Manufacturer’s List Price greater than the Least Cost Alternative Price, then the Provider may charge and collect from the Plan Member the difference between the MLP cost and the LCAP Cost payable by Alberta Blue Cross. The calculation of the Allowable Upcharge #1 and the Allowable Upcharge #2 will be unaffected (i.e. the calculation will continue to use the LCAP Cost);
- (c) For a drug, a drug product or a product which is not within an interchangeable category and which is Dispensed, the maximum Drug Benefits Fee chargeable by the Provider and payable by Alberta Blue Cross is the aggregate of:
 - (i) the MLP Cost,
 - (ii) the Maximum Allowable Upcharge, and
 - (iii) the Dispensing Fee;
- (d) For certainty, if a Provider actually acquires a drug, a drug product or a product for more or less than the Manufacturer’s List Price or the Least Cost Alternative Price, then notwithstanding the actual price paid by the Provider, the Manufacturer’s List Price or the Least Cost Alternative Price, as applicable, is the price to be used for the purposes of calculating the Drug Benefits Fee which is chargeable by the Provider and which is payable by Alberta Blue Cross to the Provider; and

- (e) The provisions of this Section 2.2 do not apply firstly, to Compounds and Purchased Compounds which are discussed in Section 2.4 hereof and, secondly, to diabetic supplies and nutritional products which are discussed in Section 2.5 hereof.

2.3 This Section 2.3 applies to only Pharmaceutical Services which are Drug Benefits where the Drug Benefit is provided according to Coverage which adopts or uses the Base Price as a reference point for pricing and in such circumstances the following are applicable:

- (a)
- (i) “Alberta Blue Cross Drug Price List” – means a listing created and varied, from time to time, by Alberta Blue Cross acting reasonably and acting on behalf of Plan Sponsors which listing is communicated by Alberta Blue Cross to the Provider and which listing contains, without limitation, the reasonable price per unit of issue to be paid by Alberta Blue Cross for selected drugs, drug products and products which are not otherwise listed within the Alberta Drug Benefit List defined in paragraph 2.2(a)(i) hereof,
 - (ii) “Base Price” – means the price per unit of issue for a drug, a drug product or a product which price is established, from time to time, by the Alberta Blue Cross Drug Price List and at which price the Provider may reasonably acquire the drug, drug product or product,
 - (iii) “Base Cost” – means the portion of a Drug Benefits Fee which is calculated by multiplying the Base Price by the quantity of the drug, the drug product or the product which is Dispensed,
 - (iv) “Maximum Allowable Upcharge” – means the portion of a Drug Benefits Fee which is the aggregate of the Allowable Upcharge #1 and the Allowable Upcharge #2,
 - (v) “Allowable Upcharge #1” – means, for the period of time from May 17, 2018 to March 31, 2026, the portion of a Drug Benefits Fee which is 7.5% of the Base Cost,
 - (vi) “Allowable Upcharge #2” – means the portion of the Drug Benefits Fee which is calculated as follows:
 - for the period of time from May 17, 2018 to March 31, 2026, an amount which is the lesser of firstly, 7.0% of the aggregate of the Base Cost and the Allowable Upcharge #1 and, secondly, \$100, and
 - (vii) “Dispensing Fee” – means, for the period of time from May 17, 2018 to March 31, 2026, the portion of a Drug Benefits Fee which is a maximum fee of \$12.15 for each act of Dispensing;
- (b) The maximum Drug Benefits Fee chargeable by the Provider and payable by Alberta Blue Cross is the aggregate of:
- (i) the Base Cost,
 - (ii) the Maximum Allowable Upcharge, and
 - (iii) the Dispensing Fee;

- (c) For certainty, if a Provider acquires a drug, a drug product or a product for more or less than the Base Price, then, notwithstanding the actual price paid by the Provider, the Base Price is the price to be used for the purposes of calculating the Drug Benefits Fee which is chargeable by the Provider and which is payable by Alberta Blue Cross to the Provider; and
- (d) The provisions of this Section 2.3 do not apply firstly, to Compounds and Purchased Compounds which are discussed in Section 2.4 hereof and, secondly, to diabetic supplies and nutritional products which are discussed in Section 2.5 hereof.

2.4 Where the Pharmaceutical Service is a Drug Benefit which is a Compound or a Purchased Compound, the following are applicable:

- (a)
 - (i) “Compound” – means a therapeutic mixture containing one or more Drug Benefits which therapeutic mixture is prepared directly by the Provider and is then Dispensed,
 - (ii) “Compounding and Repackaging Pharmacy” – means a Pharmacy that holds a Licence, a permit, Registration or other lawful authority to sell a Compound to a Provider as a Purchased Compound,
 - (iii) “Purchased Compound” – means a therapeutic mixture containing one or more Drug Benefits which therapeutic mixture is prepared directly by a Compounding and Repackaging Pharmacy, which is then purchased by the Provider from the Compounding and Repackaging Pharmacy and which is then Dispensed by the Provider,
 - (iv) “Alberta Drug Benefit List” is defined in paragraph 2.2(a)(i) of this Appendix “A”,
 - (v) “Manufacturer’s List Price” is defined in paragraph 2.2(a)(iii) of this Appendix “A”,
 - (vi) “MLP Compound Cost” – means the portion of a Drug Benefits Fee which is calculated by multiplying the Manufacturer’s List Price by the quantity of the drug, the drug product or the product which is Dispensed as a part of a Compound,
 - (vii) “Alberta Blue Cross Drug Price List” is defined in paragraph 2.3(a)(i) of this Appendix “A”,
 - (viii) “Base Price” is defined in paragraph 2.3(a)(ii) of this Appendix “A”,
 - (ix) “Base Compound Cost” – means the portion of a Drug Benefits Fee which is calculated by multiplying the Base Price by the quantity of each drug, each drug product or each product which is Dispensed as part of a Compound,
 - (x) “Purchased Compound Price” – means the Provider’s actual price paid for a Purchased Compound as evidenced by an invoice and a receipt prepared by the Compounding and Repackaging Pharmacy and given to the Provider,
 - (xi) “Maximum Allowable Compound Upcharge” – means the portion of a Drug Benefits Fee which is the aggregate of the Allowable Compound Upcharge #1 and the Allowable Compound Upcharge #2,

(xii) “Allowable Compound Upcharge #1” – means, for the period of time from May 17, 2018 to March 31, 2026, the portion of the Drug Benefits Fee calculated as follows:

- for a drug, a drug product or a product listed on the Alberta Drug Benefit List, 7.5% of the MLP Compound Cost, and
- for a drug, a drug product or a product referenced in the Alberta Blue Cross Drug Price List, 7.5% of the Base Compound Cost,

(xiii) “Allowable Compound Upcharge #2” – means:

- for a drug, a drug product or product listed on the Alberta Drug Benefit List, the portion of a Drug Benefits Fee calculated as follows:
 - for the period of time from May 17, 2018 to March 31, 2026, an amount which is the lesser of firstly, 7% of the aggregate of the MLP Compound Cost and the Allowable Compound Upcharge #1 and, secondly, \$100,
- for a drug, a drug product or a product referenced in the Alberta Blue Cross Drug Price List, the portion of a Drug Benefits Fee calculated as follows:
 - for the period of time from May 17, 2018 to March 31, 2026, an amount which is the lesser of firstly, 7% of the aggregate of the Base Compound Cost and the Allowable Compound Upcharge #1 and, secondly, \$100,
- for a Purchased Compound, the portion of the Drug Benefits Fee calculated as follows:
 - for the period of time from May 17, 2018 to March 31, 2026, an amount which is the lesser of 7% of the Purchased Compound Price and \$100, and

(xiv) “Dispensing Fee” – means for the period of time from May 17, 2018 to March 31, 2026, the portion of a Drug Benefits Fee which is a maximum fee of:

- \$18.45 for each act of Dispensing a Compound, and
- \$12.15 for each act of Dispensing a Purchased Compound;

(b)

(i) The maximum Drug Benefits Fee chargeable by the Provider and payable by Alberta Blue Cross:

- for a Compound, is the aggregate of:
 - the MLP Compound Cost plus the Maximum Allowable Compound Upcharge for the drugs, drug products or products listed in the Alberta Drug Benefit List, where applicable,

- the Base Compound Cost plus the Maximum Allowable Compound Upcharge for the drugs, drug products or products referenced in the Alberta Blue Cross Drug Price List, where applicable, and
- the Dispensing Fee for the Compound, and
- for a Purchased Compound, is the aggregate of:
 - the Purchased Compound Price,
 - the Allowable Compound Upcharge #2, and
 - the Dispensing Fee for the Purchased Compound; and

(c)

- (i) A Compound and a Purchased Compound must not duplicate a drug, a drug product or a product which is manufactured unless Alberta Blue Cross has provided its prior authorization by either telephone or electronic transmission. For the purposes of this Appendix “A”, “duplicate a drug, a drug product or a product which is manufactured” means the Compound or the Purchased Compound is therapeutically equivalent to the manufactured drug, drug product or product allowing for minor variations in strength, form or composition,
- (ii) notwithstanding paragraph 2.4(c) (i) hereof, if firstly, a Plan Member has a clinical need which is evidenced in a Prescription and/or Supplementary Prescription Documentation (defined in Appendix “B”) and secondly, the prior authorization of Alberta Blue Cross has been requested and has been granted by either telephone or electronic transmission, then a Compound or a Purchased Compound may duplicate a drug, a drug product or a product which is manufactured. For the purpose of this Appendix “A”, “a clinical need” includes, without limitation, firstly, significant allergic or adverse reaction to an excipient contained in all other therapeutically equivalent drugs, drug products or products and secondly, a supply shortage; and
- (iii) for certainty, the provisions of subsection 3.4(d) of this Agreement apply to Compounds and to Purchased Compounds.

2.5

- (a) Where the Pharmaceutical Service is a Drug Benefit which is a diabetic supply or a nutritional product, the maximum Drug Benefits Fee chargeable by the Provider and payable by Alberta Blue Cross is governed by the Coverage, from time to time, within each applicable Plan; and
- (b) For certainty, the provisions of subsection 3.4(d) of this Agreement apply to diabetic supplies and nutritional products.

2.6

- (a) Where the Pharmaceutical Service is a Pharmacy Service, the maximum Pharmacy Services Fee chargeable by the Provider and payable by Alberta Blue Cross is governed by the Coverage, from time to time, within each applicable Plan; and

- (b) For certainty, the provisions of subsection 3.4(d) of this Agreement apply to Pharmacy Services.

2.7 “Authorized Deduction”

- (a) Notwithstanding the provisions of Section 1.3 of this Appendix “A”, the Provider hereby irrevocably and unconditionally authorizes and directs Alberta Blue Cross as follows:

- (i) For the period of time from May 17, 2018 to March 31, 2026, Alberta Blue Cross is authorized to deduct a sum of up to \$0.05 from each paid Claim for a Pharmaceutical Service which:

- has been provided according to Coverage within a Plan sponsored by the Government of Alberta, and
- is a Drug Benefit for which a Dispensing Fee is to be paid (the “Authorized Deduction”) and

- (ii)

- Alberta Blue Cross is directed to pay the Authorized Deduction to the Alberta Pharmacists’ Association (“RxA”),
- Alberta Blue Cross is directed to pay the Claim less the Authorized Deduction to the Provider according to the provisions of this Agreement, and
- Alberta Blue Cross will report quarterly in writing to both the Provider and RxA with respect to the aggregate Authorized Deductions which have been made by Alberta Blue Cross and which have been paid by Alberta Blue Cross to RxA as authorized and directed by the Provider herein; and

- (b)

- (i) the Provider acknowledges and confirms it is aware firstly, that RxA and the Government of Alberta, as represented by the Minister of Health, have signed and delivered a Memorandum of Understanding (the “MOU”) and secondly, that the MOU contains provisions concerning the Authorized Deduction,

- (ii) the Provider hereby adopts and agrees to the provisions of the MOU regarding the Authorized Deduction including, without limitation, the “Deduction Rate” and the maximum aggregate “Deductions” to be paid to RxA during each 12 month period of time all as defined and discussed, from time to time, in the MOU, and

- (iii) notwithstanding the provisions of paragraph 2.7(a) (i) hereof, the Provider agrees that the amount of the Authorized Deduction will be amended and varied, from time to time, according to and consistent with any and all amendments and variations to the “Deduction Rate” which is/are agreed to by RxA and the Government of Alberta according to the provisions of the MOU.

2.8 “Authorized Adjustment”

- (a) Notwithstanding any other provision of this Agreement, the Provider hereby irrevocably and unconditionally authorizes and directs Alberta Blue Cross as follows:

- (i) For the period of time from April 1, 2020 to March 31, 2026, Alberta Blue Cross is authorized to adjust the amount owing to a Provider (the “Authorized Adjustment”) from each Claim by the Provider for a Pharmaceutical Service which:
- has been provided according to Coverage within a Plan sponsored by the Government of Alberta, and
 - is a Drug Benefit for which a Dispensing Fee is to be paid or is a Pharmacy Service for which a Pharmacy Service Fee is to be paid, in accordance with an Authorized Adjustment Policy (the “Policy”), approved by the Minister of Health and published in a Ministerial Order (the “MO”) on or before April 1, 2020,
- (ii) The amount of the Authorized Adjustment will be amended and varied, from time to time, in accordance with the Policy,
- (iii) Alberta Blue Cross will report quarterly in writing to the Provider with respect to the amount of the aggregate Authorized Adjustment, and
- (iv) For clarity, the Provider may not charge or collect from the Plan Member any amount reduced from a Claim in relation to the Authorized Adjustment;
- (b) The Authorized Adjustment Policy is being implemented by the Government of Alberta to constrain growth for Drug Benefit Fees and Pharmacy Services Fees within the Government of Alberta’s currently projected budget for Drug Benefit Fees and Pharmacy Services Fees from April 1, 2020 to March 31, 2026;
- (c) The amount of the Authorized Adjustment
- (i) Is determined at the sole discretion of the Minister of Health (or delegate), in accordance with Policy,
 - (ii) May be set at different rates for a Claim for a Drug Benefit for which a Dispensing Fee is to be paid and for a Claim for a Pharmacy Service for which a Pharmacy Service Fee is to be paid,
 - (iii) For each Claim for a Drug Benefit for which a Dispensing Fee is to be paid, is limited to the amount of the Drug Benefit Fees (inclusive only of Dispensing Fee, Allowable Upcharge #1, Allowable Upcharge #2, Allowable Compound Upcharge #1 and Allowable Compound Upcharge #2), and
 - (iv) May be set at \$0.00, and may be increased, reduced or otherwise varied from time to time;
- (d) The Minister of Health will provide a minimum of five business days’ written notice in advance of implementing and making any changes to the Authorized Adjustment and/or the Policy;
- (e) As directed by the Minister of Health, Alberta Blue Cross will advise the Provider of the implementation of and changes to the Authorized Adjustment and/or the Policy through Alberta Blue Cross’s “The Pharmacy Benefact” publication or by and through such other written means as Alberta Blue Cross in its sole discretion decides; and

- (f) If the Minister of Health approves and publishes the Policy in an MO on or before April 1, 2020, then Alberta Blue Cross is unconditionally and irrevocably authorized and directed to make the Authorized Adjustment in accordance with the Policy.

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FOR REFERENCE ONLY

APPENDIX “B”

COMPLIANCE VERIFICATION REVIEWS

If Alberta Blue Cross exercises its right to conduct a Compliance Verification Review according to Section 3.11 of this Agreement, then the provisions of this Appendix “B” are applicable both to Alberta Blue Cross and to the Provider.

SECTION 1 DEFINITIONS

- 1.1 “Supplementary Documentation” – means all documentation and/or information which is in the possession of or under the control of the Provider or, where applicable, any of the Provider’s affiliates, subsidiaries, owners, shareholders, directors, officers, employees, agents, contractors or partners or any persons, corporations or other business organizations who do not deal at arms length with any of them, which documentation and/or information:
- (a) is related to Claims;
 - (b) is related to the provision of Pharmaceutical Services whether Dispensed or not;
 - (c) is related to Pharmaceutical Services Charges;
 - (d) is related to the purchase of Drug Benefits; or
 - (e) is relevant to and/or will assist Alberta Blue Cross to conduct a Compliance Verification Review.
- 1.2 “Supplementary Prescription Documentation” – means all additional documentation and/or information relating to a Prescription or Prescriptions which is relevant to how frequently Pharmaceutical Services are provided and which documentation and/or information includes, without limitation:
- (a) written or electronic communications from a Prescriber to the Provider;
 - (b) oral communications from the Prescriber to the Provider which have been reduced to writing by the Provider;
 - (c) written or electronic communications from the Plan Member to the Provider; and
 - (d) oral communications from the Plan Member to the Provider which have been reduced to writing by the Provider.

SECTION 2 COMPLIANCE VERIFICATION REVIEW

2.1

- (a) Alberta Blue Cross’s Compliance Verification Review will usually be for a maximum period of 2 years calculated backwards from the date that a Claim is paid by Alberta Blue Cross. The 2 year period of time may be extended by Alberta Blue Cross when it is of the opinion that any of the Provider, its owners, shareholders, directors, officers, employees, contractors, agents or partners have intentionally or deliberately avoided or circumvented (or attempted to avoid or circumvent) the provisions of this Agreement and/or the processes

described in this Agreement. Alberta Blue Cross will give notice to the Provider if it is of this opinion and such notice must contain a detailed description of the actions and/or circumstances which Alberta Blue Cross relies upon to formulate its opinion;

- (b) When conducting any Compliance Verification Review, Alberta Blue Cross will work cooperatively with the Provider and where applicable the Provider's staff; and
- (c) When participating in any Compliance Verification Review, the Provider will co-operate fully with Alberta Blue Cross. Without limitation, the Provider will promptly provide to Alberta Blue Cross, upon request to do so, all documentation required by Alberta Blue Cross to fully conduct its Compliance Verification Review, including, without limitation:
 - (i) Prescriptions,
 - (ii) Supplementary Documentation,
 - (iii) Supplementary Prescription Documentation, and
 - (iv) documentation relevant to the Best Price obligation described in Section 3.6 of this Agreement and the Co-payment obligation described in Section 3.5 of this Agreement.

SECTION 3 REPORT

- 3.1 Upon completion of any Compliance Verification Review Alberta Blue Cross will prepare a written report or reports (the "Report") and will provide a copy to the Provider.
- 3.2 Should the Report identify and require the Provider to amend, modify, vary or change any of the Provider's policies, procedures, processes or record keeping regarding the provisions and/or obligations of this Agreement including, without limitation, Pharmaceutical Services, Pharmaceutical Services Charges and Claims (the "Process Changes"), then the Provider will and must make the Process Changes promptly.

SECTION 4 CHALLENGE

- 4.1 Alberta Blue Cross and the Provider wish to provide for a procedure whereby the contents of any Report including, without limitation, specific findings giving rise to monetary recoveries, may be challenged by the Provider. Accordingly, Alberta Blue Cross and the Provider agree that:
 - (a) the Provider may challenge any or all of the findings, conclusions, requirements or Process Changes described in the Report by providing notice to Alberta Blue Cross (the "Notice of Challenge") not later than 60 days after the Provider receives (is deemed to receive) the Report;
 - (b) the Notice of Challenge must contain a detailed description of the findings, conclusions, requirements and/or Process Changes which the Provider challenges and the Provider's specific reasons for doing so; and
 - (c) the Challenge procedure described in this Appendix "B" is the only remedy available to the Provider regarding the Report and regarding Alberta Blue Cross's Compliance Verification Review. Accordingly, the Provider will not seek remedies outside of the

Challenge procedure including, without limitation, it will not seek injunctive or other relief from the courts.

- 4.2 Once a Notice of Challenge has been received by Alberta Blue Cross, the parties may, but are not obligated to, agree in writing to hold the Challenge procedure in abeyance for a specified time while they conduct negotiations and/or pursue a mediation process.
- 4.3 If the parties do not enter into a written agreement as contemplated by Section 4.2 hereof or if there is a written agreement and the specified time for abeyance expires without there being a negotiated or mediated settlement agreement, then the following Challenge procedure will be followed:
- (a) the matters described in the Notice of Challenge must be considered and decided by an individual (the Adjudicator) acceptable to both the Provider and Alberta Blue Cross. Unless otherwise agreed in writing by the Provider and Alberta Blue Cross, the Adjudicator, whether appointed by agreement or by the Court, must possess the following minimum qualifications:
 - (i) be a registered Chartered Professional Accountant practicing and in good standing in the Province of Alberta with not less than 10 years audit experience, and
 - (ii) be independent within the meaning of the rules of professional conduct established, from time to time, by the Chartered Professional Accountants of Canada with respect to his or her relationship with all of the following:
 - Alberta Blue Cross and its management and directors,
 - the Provider, its owners, shareholders, partners, management, directors and officers,
 - any regulatory body having responsibility for the Provider in the jurisdiction within which the Provider operates/practices,
 - the Alberta Pharmacists' Association, and
 - any persons, corporations or other organizations or entities who do not deal at arms length with any of the parties described in this paragraph 4.3(a)(ii);
 - (b) either party may provide the other with a notice proposing an individual or individuals to be appointed to the position of Adjudicator (the Notice of Appointment);
 - (c) if the parties are unable to agree to the appointment of the Adjudicator within 7 days following receipt of the Notice of Appointment, then either party may apply to a Justice of the Court of Queen's Bench of Alberta to appoint the Adjudicator subject to the minimum qualifications described in subsection 4.3(a) hereof;
 - (d) once appointed, the Adjudicator:
 - (i) will conduct the Challenge procedure as a single arbitrator under the Arbitration Act of Alberta, subject to the specific agreements and directions described herein,

- (ii) will have the authority to conduct hearings, to request written briefs or oral representations from the parties and to request additional information and/or documentation, and
 - (iii) will have the authority to award costs, wholly or partially, to either of the parties including, without limitation, legal fees and disbursements on a solicitor and his own client full indemnity basis;
- (e) if the Adjudicator decides not to make an award regarding costs, then:
- (i) the parties will be responsible for their own costs, and
 - (ii) the parties will share equally all of the general costs and expenses of the Challenge procedure and all of the specific fees and costs of the Adjudicator; and
- (f) if the Adjudicator decides that either party is entitled to be paid or to recover money from the other, then in addition to the amount decided as owing the party who owes money will be liable to pay interest on the sum declared as owing at the Alberta Treasury Branches prime commercial lending rate established, from time to time, as posted at Alberta Treasury Branch's Main Branch, in Edmonton, Alberta plus 2% calculated and compounded monthly not in advance. This obligation to pay interest and the calculation thereof will be effective from and after the date that the Report was received by the Provider and up to and including the date that full payment is made and received, both before and after the obtaining of any judgment by the party who is owed the money.

4.4 The Adjudicator's conclusions, decisions, declarations and/or awards arising out of or resulting from the described and agreed Challenge procedure will be final and binding upon the Provider and its successors, heirs, executors, administrators and personal legal representatives, as applicable and upon Alberta Blue Cross and its successors.

SECTION 5 MISCELLANEOUS

- 5.1 If this Agreement is terminated, then the rights and obligations of the parties concerning a Compliance Verification Review are not affected regardless of whether the Compliance Verification Review has been commenced before or is commenced after the effective date of termination.
- 5.2 If a Compliance Verification Review and a resulting Report contain findings regarding the Provider's neglect, refusal or failure to fulfill its Co-Payment obligation described in Section 3.5 of this Agreement, then the amount of any resulting reduction or discount of the Plan Member's Co-payment identified by the Report must be shared proportionately between the Plan Member and Alberta Blue Cross.

For certainty and by way of example, if a Plan Member's Co-payment obligation is 30% of the Pharmaceutical Services Charge, then any resulting reduction or discount regarding the Co-payment amount which is granted by the Provider must be shared 30% for the benefit of the Plan Member and 70% for the benefit of Alberta Blue Cross. Therefore, if the Co-payment amount is \$20.00 and the Provider has the Plan Member pay only \$10.00 thereby producing a reduction or discount of \$10.00, then the Provider will owe Alberta Blue Cross \$7.00 being 70% of the \$10.00 reduction or discount."

APPENDIX "C"

PROVISION OF PHARMACEUTICAL SERVICES/CLAIMS FOR PHARMACEUTICAL SERVICES/PHARMACEUTICAL SERVICES CHARGES/FREQUENT DISPENSING POLICY

When a Provider provides a Pharmaceutical Service and when a Provider submits a Claim, the provisions of this Appendix "C" (together with Appendix "A") are applicable. However, it is acknowledged that the provisions of this Appendix "C" are expressly subject to the following provisions of this Agreement:

- subsection 3.6 (d);
- subsection 14.2 (a);
- bullet 2 of paragraph 14.2 (b) (ii); and
- section 18.1.

SECTION 1 DEFINITIONS

1.1 "Drug Grouping: means Drug Benefits that have the same active ingredient(s) and ingredient strength(s).

SECTION 2 FREQUENT DISPENSING

2.1

- (a) Where the Pharmaceutical Service is a Drug Benefit that is being Dispensed with a days supply of 1, a maximum of 3 Dispensing Fees per day per Plan Member are chargeable, and payable by Alberta Blue Cross for the period May 17, 2018 to March 31, 2026;
- (b) For certainty and by way of example, where the Provider is to Dispense a Drug Benefit or Drug Benefits each of which has a days supply of 1, then:
 - (i) if the Provider is to Dispense 5 Drug Benefits on the same day, then the Provider may include a Dispensing Fee in the Pharmaceutical Services Charge for not more than 3 Drug Benefits. For the 4th and the 5th Drug Benefit the Provider shall not charge and shall not include a Dispensing Fee in the Pharmaceutical Services Charge; and
 - (ii) if the Provider is to Dispense 1 or more Drug Benefits on the same day that the Plan Member has already received not less than 3 Drug Benefits from another provider(s) and for which not less than 3 Dispensing Fees have been charged, then the Provider shall not charge and shall not include a Dispensing Fee in its Pharmaceutical Services Charge;
- (c) Subsections 3.6(a), (b) and (c) of this Agreement do not apply to or include situations where no Dispensing Fee is chargeable by the Provider or payable by Alberta Blue Cross.

2.2

- (a) Where the Pharmaceutical Service is a Drug Benefit that is being Dispensed with a days supply of between 2-27, a maximum of 2 Dispensing Fees per Drug Grouping per 28 day period per Plan Member are chargeable, and payable by Alberta Blue Cross for the period May 17, 2018 to March 31, 2026;
- (b) For certainty and by way of example, where the Provider is to Dispense a Drug Benefit or Drug Benefits each of which has a days supply of 7, then:
 - (i) if the Provider is to Dispense 4 Drug Benefits in a 28 day period, then the Provider may include a Dispensing Fee in the Pharmaceutical Services Charge no more than twice in the 28 day period for each Drug Benefit within a Drug Grouping. For the 3rd and the 4th submission of a Claim for each Drug Benefit within a Drug Grouping, the Provider shall not charge and shall not include a Dispensing Fee in the Pharmaceutical Services Charge; and
 - (ii) if the Provider is to Dispense 1 or more Drug Benefits within the same Drug Grouping within a 28 day period during which the Plan Member has already received not less than 2 Drug Benefits within the same Drug Grouping from another provider(s) and for which not less than 2 Dispensing Fees have been charged, then the Provider shall not charge and shall not include a Dispensing Fee in the Pharmaceutical Services Charge;
- (c) Subsections 3.6(a), (b) and (c) of this Agreement do not apply to or include situations where no Dispensing Fee is chargeable by the Provider or payable by Alberta Blue Cross.

2.3 Where the Pharmaceutical Services is a Drug Benefit that is being Dispensed for the treatment of opioid dependency, as defined in the Coverage, Sections 2.1 and 2.2 of this Appendix “C” do not apply and Dispensing Fees are chargeable by the Provider and payable by Alberta Blue Cross for each Dispense for the period May 17, 2018 to March 31, 2026.

2.4 Where the Pharmaceutical Service is a Drug Benefit that is being Dispensed for acute use, an additional 4 Dispensing Fees per Drug Grouping per any 12 month period per Plan Member are chargeable by the Provider and payable by Alberta Blue Cross for each Dispense for the period May 17, 2018 to March 31, 2026.

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