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08-04-05



Amendment No. 2
to
Contract Number S050038
Agreement for Pharmacy Benefit Management Services
between
Walgreens Health Initiatives, Inc.
and the
City of Austin

This Amendment No. 2 to the Pharmacy Benefit Management Agreement dated October 1, 2004, is made and is effective on August 4, 2005 by and between Walgreens Health Initiatives, Inc., an Illinois Corporation, with offices located at 1417 Lake Cook Road, Deerfield, IL 60015, and the City of Austin, a home-rule municipal corporation of the State of Texas.

The above referenced Pharmacy Benefit Management Agreement is amended as stated below.

1.0 Section 3, COMPENSATION:

- 1.1 Paragraph 3.1, Agreement Amount: Increase the total not-to-exceed amount by \$6,343,054 from \$8,038,676 to \$14,343,054.
- 1.2 Paragraph 3.1.1, initial term (first year of Agreement): not-to-exceed \$1,238,676.
- 1.3 Paragraph 3.1.2, first extension option (second year of Agreement): Increase the not-to-exceed amount by \$1,397,638 from \$1,400,000 to \$2,797,638.
- 1.4 Paragraph 3.1.3, second extension option (third year of Agreement): Increase the not-to-exceed amount by \$1,495,351 from \$1,600,000 to \$3,095,351.
- 1.5 Paragraph 3.1.4, third extension option (fourth year of Agreement): Increase the not-to-exceed amount by \$1,623,823 from \$1,800,000 to \$3,423,823.
- 1.6 Paragraph 3.1.5, fourth extension option (fifth year of Agreement): Increase the not-to-exceed amount by \$1,787,566 from \$2,000,000 to \$3,787,566.

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2.0 ATTACHMENT B, ADDITIONAL RESPONSIBILITIES OF THE CONTRACTOR AND THE CITY:

2.1 Paragraph A.2.(C), Amend to read as follows:

(c) The Network Pharmacy may withhold prescription services to a Patient for the following reasons: the City's nonpayment for prescription services provided to Patients when such payments are due; the Patient's failure to pay for services rendered, when applicable (e.g., patient dispensing fee); requests by Patient for quantities of drugs in excess of prescribed amounts or refill limitations pursuant to the pharmacy benefit information; or where, in the professional judgment of the dispensing pharmacist, the prescription should not be filled. Contractor agrees that, subject to the foregoing and all applicable law, the Network Pharmacy will not refuse to fill a prescription due to a pharmacist's personal beliefs regarding the medication or the use of the medication. In the event that an individual pharmacist declines to fill a prescription based on personal belief rather than professional judgment, the store's pharmacy manager will take necessary steps to arrange to have the prescription filled either by another pharmacist at the same location, or if desired by the patient to avoid undue delay or inconvenience, by a pharmacist at a nearby location at no additional prescription cost to the patient or the city.

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3.0 All other terms and conditions of the contract remain the same.

This Amendment No. 2 is hereby made a part of the Agreement for Pharmacy Benefit Management Services and all terms and conditions therein contained are applicable. The Pharmacy Benefit Management Services Agreement and this Amendment No. 2 shall be collectively referred to as the "Agreement".

BY THE SIGNATURES affixed below, Amendment No. 2 is hereby executed and incorporated into and made a part of the above-referenced Pharmacy Benefit Management Services Agreement.

WALGREENS HEALTH INITIATIVES, INC.

CITY OF AUSTIN

By: _____
Name

By: Urchu M. Dunbar-Crespo
Name

Signature

Signature

Title

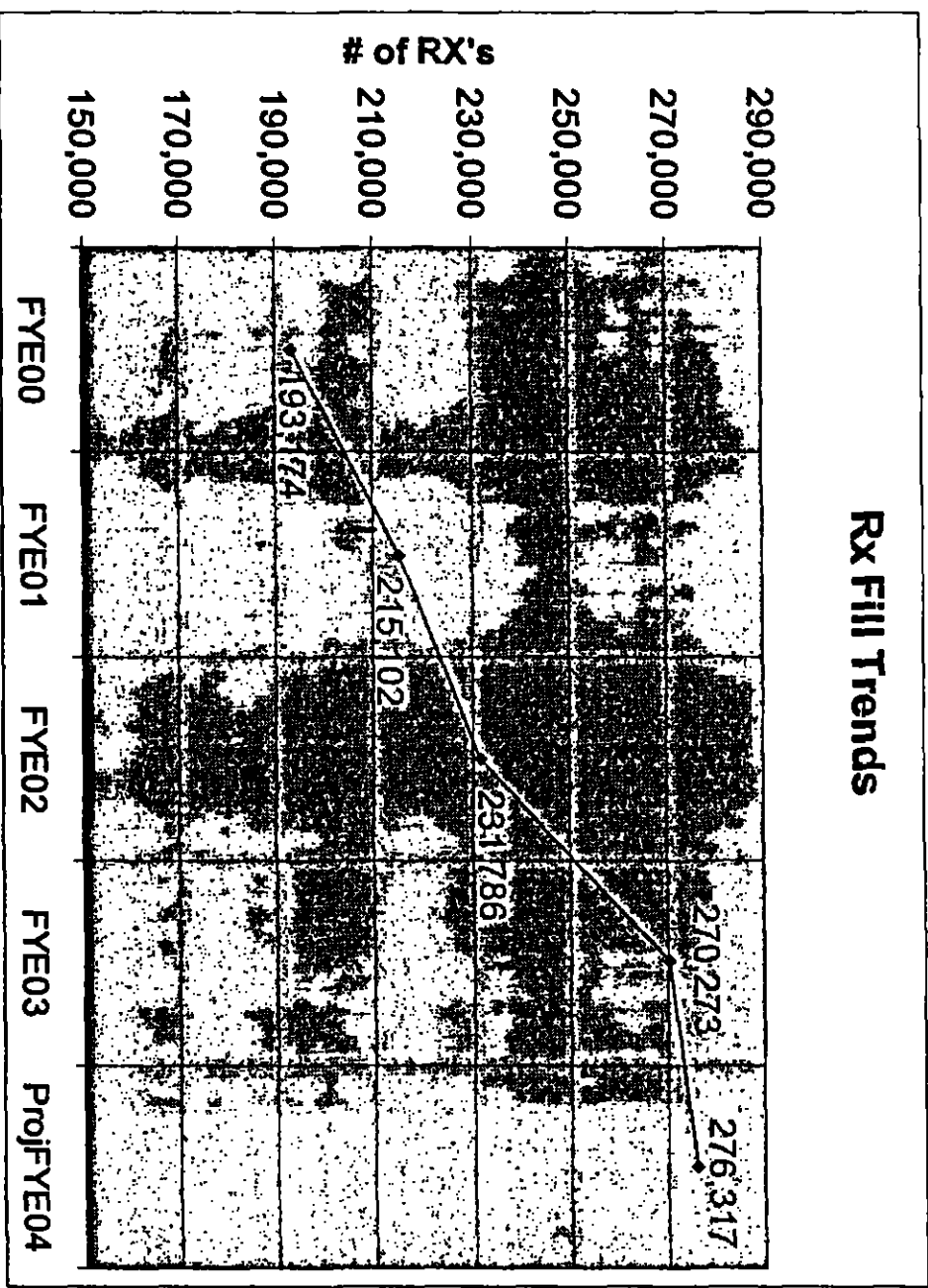
Deputy Purchasing Officer
Title

Date

Date

#17
08-04-05

CHC Prescription Volume Trends



Prescriptions filled by Walgreens for the FQHCs

	Total	8 month avg	annual estimate
CBRACKFQ (urban MAP enrollees)	64,495	8,062	96,743
CCAID (Medicaid patients)	7,706	963	11,559
CCARE (Medicare patients)	72,398	9,050	108,597
CCHC (self pay)	39,840	4,980	59,760
COTHER (pending disability)	26,057	3,257	39,086
urban sub-total	210,496	26,312	315,744
TBRACKFQ (rural MAP enrollees)	22,387	2,798	33,581
TCAID (rural Medicaid patients)	716	90	1,074
TCARE (rural Medicare patients)	20,052	2,507	30,078
TCHC (rural self pay)	5,368	671	8,052
TOTHER (rural pending disability)	4,188	524	6,282
rural sub-total	52,711	6,589	79,067
Total	263,207	32,901	394,811
PAP and Bulk			70,000
Grand Total			464,811

8/3/2005