AGENDA COVER MEMO

Memorandum Date: August 26, 2025

Order Date: August 26, 2025

TO:	Board of County Commissioners
DEPARTMENT:	Human Resources
PRESENTED BY:	James Trujillo, Workforce Wellness Manager
AGENDA ITEM TITLE:	IN THE MATTER OF AUTHORIZING A NEW AGREEMENT WITH NATIONAL COOPERATIVE RX FOR BENEFIT YEARS 2026 - 2028 AND DELEGATING AUTHORITY TO THE COUNTY ADMINISTRATOR TO EXECUTE THE AGREEMENT.

I. MOTION

Move approval of Order 25-08-26-XX Authorizing a new Agreement with National Cooperative RX for Benefit Years 2026-2028 and Delegating Authority to the County Administrator to Execute the Agreement.

II. AGENDA ITEM SUMMARY

The County currently works directly with PacificSource who administers the County's medical and pharmacy benefits. PacificSource works directly with CVS to obtain pharmacy benefit services. County Human Resources (HR) staff and the County's Budget & Financial Planning Manager are recommending a move to National Cooperative RX (NCRx), a non-profit pharmacy benefit management organization, in order to significantly reduce pharmacy costs, improve pharmacy spend transparency, and complete the process with minimal disruption to employees and their families.

The Board is being asked to delegate authority for the County Administrator to execute the agreement to begin January 1, 2026, and run through December 31, 2028.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Ordinance 15-04 establishing a health plan self-insurance sub-fund was enacted by the Board of County Commissioners on July 14, 2015.

As part of the County's transition to a self-funded employee health plan, the County engaged its former insurer, PacificSource, to provide administrative services and Stop Loss Insurance for the self-funded plan, beginning effective August 1, 2015.

Administrative services included an interface with CVS pharmacies to provide pharmacy benefits to Lane County benefited employees and their dependents.

USI Benefit Brokers conducted a Request for Proposal (RFP) for pharmacy benefits on behalf of Lane County in the spring of 2025. This is a customary process for a benefit brokerage to complete and complies with RFP requirements. Benefits are exempted from the standard RFP process used by the County. See exemption per LM 20.200.100(E).

USI cultivated three bids for Pharmacy Benefit Management (PBM) services.

B. Policy Issues

There are no proposed policy changes. The County is required to meet the obligations it has made to its employees, but at the same time must seek to control the expense in a time of rising health care costs and reduced County resources. The change in this provider is estimated to save the County significantly in pharmacy costs while maintaining high quality benefits for employees and their families.

C. Board Goals

Providing medical and pharmacy care to employees and their dependents directly relates to the County's Strategic Goal to, "Support our employees, systems, and organizational health so that County residents can experience a more effective government."

D. Financial and/or Resource Considerations

Lane County's prior year pharmacy benefit cost was $6,161,014. USI Benefit Brokerage used this claim data to illustrate potential cost savings through a contact with NCRx. The illustration showed a cost savings between –41.2% and -47.9% or a reduction of $2,537,907 and $2,951,721 respectively (less administration and transition fees). By contracting with NCRx the County can anticipate similar savings on future pharmacy spend.

One-time transition costs are estimated to be $19,000 with a carve out fee from PacificSource being estimated at $55,620. Ongoing administrative fees are estimated at $13,569 annually and paid directly to NCRx. These fees are based on a Per Employee Per Month basis. Estimates are based on current enrollment numbers.

E. Health Implications

There are little to no negative health implications with the addition of this new agreement. We have an opportunity to improve pharmacy services to employees, lower costs, and reduce the County's financial burden for benefit services.

F. Analysis

The County, with support from USI, will work to mitigate disruptions to employees as much as possible. HR will share updated contact and customer service information with benefit enrollees and work to make the transition as seamless as possible. The transition will be facilitated by NCRx which also partners with CVS Pharmacy, making the process easier for employees.

G. Alternatives/Options

1. Delegate authority to the County Administrator to enter into the new agreement with NCRx for benefit year 2026 starting on January 1, 2026.

2. Reject the new agreement and remain with PacificSource as the administrator of pharmacy benefit services.

IV. RECOMMENDATION

Staff recommends approval of the agreement and delegation to the County Administrator to execute the agreement.

V. TIMING/IMPLEMENTATION

The benefit plan year for this new agreement would commence on January 1, 2026. Upon Board approval, HR staff will commence transition work with NCRx and PacificSource, and communicate with employees about the change.

VI. FOLLOW-UP

The renewal agreement will be executed by the County Administrator and the agreement with NCRx will stay in effect for three calendar years – ending on December 31, 2028. HR staff will return to the Board with options during the next renewal period.

VII. ATTACHMENTS

A. Board Order 25-08-26-XX
B. Traditional Participating Group Addendum (PGA)
C. NCRx Coop Member Agreement
D. NCRx Business Associate Agreement (BAA)
E. Pharmacy Benefit Management (PBM) Board Presentation

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 25-08-26-XX	In the Matter of Authorizing a New Agreement with National Cooperative RX for Benefit Years 2026 - 2028 and Delegating Authority to the County Administrator to Execute the Agreement.

WHEREAS, the County is required to meet the obligations it has made to its employees to provide employee and eligible dependent pharmacy benefits; and

WHEREAS, the current agreement with PacificSource allows for pharmacy benefit services to be carved out by January 1, 2026; and

WHEREAS, the County is obligated to proactively analyze benefit options to ensure high value at a reasonable price.

NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows:

1. The new agreement with National Cooperative RX for a three-year agreement beginning January 1, 2026, is approved.
2. The County Administrator or his delegate is delegated authority to execute the necessary documents to enter into the agreement.

ADOPTED this 26 day of August 2025.

_____
David Loveall, Chair
Lane County Board of Commissioners

Participating Group Addendum

Participating Group Name: Lane County

Participating Group Address: 125 East 8th Avenue

Eugene, OR 97401

Contact Person: _____

Participating Group Addendum Effective Date: EFF DATE

Participating Group Addendum End Date: December 31, 2027

Participating Group represents that the Plan is ☐/ is not ☐ governed by ERISA.

This Addendum ("**Participating Group Addendum**") supplements the Amended and Restated Coalition Master Prescription Benefit Services Agreement effective October 1, 2024 ("**Master Agreement**"), as amended, between CaremarkPCS Health, L.L.C., a Delaware limited liability company ("**CVS Caremark**"), and National CooperativeRx, a Wisconsin Cooperative ("**NCRx**"), on its own behalf and on behalf of the Participating Group. All capitalized terms used in this Participating Group Addendum shall have the meaning set forth in the Master Agreement. This Participating Group Addendum must be signed by Participating Group and returned to CVS Caremark by August 1, 2024 in order to receive the pricing reflected in the Master Agreement effective October 1, 2024.

1. The undersigned Participating Group ("**Participating Group**") is, and shall remain, a cooperative member of NCRx during the Term. Participating Group has reviewed the Master Agreement and desires that CVS Caremark provide to it the products and Services described in the Master Agreement on the terms and conditions set forth in the Master Agreement, as amended or restated from time to time, and this Participating Group Addendum. By signing this Participating Group Addendum, Participating Group agrees to the terms and conditions of the Master Agreement, including the Exhibits and Schedule(s) attached thereto and any subsequent amendments to the Master Agreement which may be entered into between NCRx and CVS Caremark, and this Participating Group Addendum.

2. CVS Caremark agrees to provide Services to the undersigned Participating Group under the same terms and conditions set forth in the Master Agreement, including any amendments or other applicable written agreements which may be entered in writing between NCRx and CVS Caremark during the Term, as applicable. This Participating Group Addendum shall terminate automatically upon termination of the Master Agreement, except as otherwise set forth in Section 6.10 of the Master Agreement, consistent with the terms of the Master Agreement.

3. Participating Group elects the Traditional pricing option for its commercial line of business as further described in the Master Agreement.

4. Market Check. Participating Group delegates the authority to negotiate the market check pricing terms applicable to Participating Group, if any, to NCRx. Once the revised pricing terms are agreed upon

by NCRx and CVS Caremark, NCRx shall advise Participating Group of the revised pricing in advance of the effective date of such revised pricing.

5. This Participating Group Addendum, together with the Master Agreement constitutes the entire agreement between the parties with respect to the subject matter herein and supersedes all prior understandings, agreements, contracts or arrangements between the parties, whether oral or written.

[6. Consulting Fees Paid by Participating Group to NCRx for _____ ("Consultant"). [CVS Caremark shall collect $_____ per Claim]CVS Caremark shall collect $_____ per Member per month][CVS Caremark shall collect $_____ per month] on Participating Group's behalf and at Participating Group's direction, and remit such fee to NCRx or Consultant, as applicable, on a monthly basis. CVS Caremark shall remit such fee to NCRx or Consultant, as applicable, within forty-five (45) days of the end of the month collected, for services provided by Consultant to Participating Group. CVS Caremark shall not be required to remit any fees to NCRx or Consultant, as applicable, until such time as CVS Caremark has received payment from Participating Group. Participating Group acknowledges that its execution of this Participating Group Addendum, constitutes written direction to CVS Caremark to collect and remit the above fees to NCRx or Consultant, as applicable.]

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Signature Page Follows

LANE COUNTY

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

AUTHENTICATION

NCRx signs below to certify that this Participating Group Addendum is entered into under and in accordance with the provisions of the Master Agreement, and is approved by it in form and substance. No amendments or other modifications to this Participating Group Addendum are effective until NCRx has reviewed such modifications and approved them in a written amendment to this Participating Group Addendum.

NCRX COOPERATIVE

By:

Name: Josh Bindl

Title: CEO

National CooperativeRx®

Cooperative Member Agreement

The undersigned ("**we**", "**us**" or "**our**") desire membership in National CooperativeRx ("**Cooperative**"), a Wisconsin cooperative organized under Chapter 185 of the Wisconsin Statutes, and for this purpose provide the following information and commitments.

1. **Class of Membership.** We are an entity described in the class checked below, and request membership in Cooperative as a member of such class (check one below):

   X Participating Members. Participating Members are entities other than founding members that provide pharmacy benefits as part of their health care plans for their employees, insureds, or other covered lives, who are at risk for some or all of the cost of the pharmacy benefits provided under such plans, who have entered into contracts approved by Cooperative for the delivery of pharmacy benefit management and related services, and who meet any other requirements for Participating Members set forth in the bylaws of Cooperative, as amended, or in policies adopted by Cooperative's board of directors from time to time.

   - or -

   ___ Sustaining Members. Sustaining Members are entities that are similar to Participating and Affiliate Members, that are granted similar status as that of founding members, as determined by Cooperative's board of directors, and that are integral strategic partners to Cooperative, and who meet any other requirements for Sustaining Members set forth in the bylaws of Cooperative, as amended, or in policies adopted by Cooperative's board of directors from time to time.

   ___ Affiliate Members. Affiliate Members are entities other than founding members, participating members, and sustaining members that have programs supporting the goals of Cooperative and that facilitate access to the benefits of Cooperative by their members and affiliates, and who meet any other requirements for Affiliate Members set forth in the bylaws of Cooperative, as amended, or in policies adopted by Cooperative's board of directors from time to time.

2. **Review of Cooperative Information.** Sustaining Members and Participating Members have the opportunity to review, upon request, the following documents from Cooperative:

   a. Cooperative Summary of Structure and Operation;
   b. Cooperative Articles of Incorporation, as amended; and
   c. Cooperative Bylaws, as amended.

3. **Sustaining Members' Term of Membership.** If we have requested to become Sustaining Members, and are approved by Cooperative as eligible for such membership, we understand and agree that we will become Sustaining Members of Cooperative only when we sign and become bound to an addendum to the Coalition Master Benefit Service Agreement ("**Master Agreement**") with the pharmacy benefit manager ("**PBM**") with whom Cooperative has contracted to provide pharmacy benefit management services to its Sustaining Members from time to time ("**Master Agreement Addendum**") and upon execution of this Cooperative Member Agreement. Additionally, we understand and agree that our membership shall terminate subject to the terms described in the bylaws of Cooperative, as amended. We understand and agree that the Master Agreement Addendum we sign from time to time will have provisions requiring our payment of fees to Cooperative in consideration of our access to and receipt of benefits from the Master Agreement. We understand and agree that we may be required to pay such fees directly to Cooperative, or such fees will be paid on our behalf by the PBM from the amounts we pay to the PBM pursuant to the terms of the Master Agreement and the Master Agreement Addendum. We acknowledge that such fees are subject to annual prospective adjustment by Cooperative, and that these fees represent patronage income to Cooperative.

4. **Participating Members' Term of Membership.** If we have requested to become Participating Members, and are approved by Cooperative as eligible for participating membership, we understand and agree that we will become Participating Members of Cooperative only when we sign and become bound to an addendum to the Master Agreement with the PBM with whom Cooperative has contracted to provide pharmacy benefit management services to its Participating Members from time to time and upon execution of this Cooperative Member Agreement. Additionally, we understand and agree that our membership shall terminate subject to the terms described in the bylaws of Cooperative, as amended. We understand and agree that the Master Agreement Addendum we may sign from time to time will have provisions requiring our payment of fees to Cooperative in consideration of our access to and receipt of benefits from the Master Agreement. We understand and agree that we may be required to pay such fees directly to Cooperative, or such fees will be paid on our behalf by the PBM from the amounts we pay to the PBM pursuant to the terms of the Master Agreement and the Master Agreement Addendum. We acknowledge that such fees are subject to annual prospective adjustment by Cooperative and a 70 day notice of any change to fees will be provided by Cooperative. These fees represent patronage income to Cooperative.

5. **Affiliate Members Term of Membership.** If we have requested to become Affiliate Members of Cooperative, we understand and agree that we will become Affiliate Members upon the approval of our membership by Cooperative and upon execution of this Cooperative Member Agreement. Additionally, we understand and agree that our membership shall terminate subject to the terms described in the bylaws of Cooperative, as amended.

6. **Distributions.** We understand that the board of directors of Cooperative will determine and distribute annually the net proceeds of Cooperative as described in Article 9 of the bylaws of Cooperative, as amended. We acknowledge and agree that the board will determine the form of distribution, some of which may be in cash and some of which may be in surplus allocated to us. We further understand that any such surplus allocated to us will not be available to or redeemable by us without the further approval of the board of directors of Cooperative.

7. **Member Consent to Treat Certain Distributions as Income.** We hereby agree that the amount of any distributions from Cooperative to us, with respect to our patronage which are made in qualified written notices of allocation (as defined in 26 U.S.C. §1388), will be taken into account by us at the stated dollar amounts in the manner provided in 26 U.S.C. §1385(a) in the taxable year in which such written notices of allocation are received by us.

8. **Confidentiality.** Both parties agree to keep confidential the Proprietary Information (as defined herein), limiting use of such information solely to administer the obligation to Cooperative and to the PBM of Cooperative and for no other purposes.

   Proprietary Information includes all information relating to the terms of a Master Agreement Addendum, as well as the Master Agreement between Cooperative and the PBM, as negotiated by the Cooperative with the PBM for its services as a PBM including but not limited to pricing information of the benefits to be made available under the Master Agreement, the structure of the relationships to be formed between the PBM, Cooperative and its members, and the marketing plans and business strategies of Cooperative and the PBM. Proprietary Information includes all of the above described information in any form in which it is held and transmitted, including but not limited to oral, written, facsimile, and digital forms of storage and transmittal.

9. **Corporate Compliance.** The parties represent and warrant to each other that neither the party making the representation, nor any of its officers, directors, managing employees or any individual with a direct or indirect ownership or controlling interest of at least 5% in the party has (i) been convicted of any criminal offense related to the delivery of an item or service under any government healthcare program, (ii) had a civil monetary penalty assessed against it pursuant to 42 U.S.C. 1320a-7a or 42 U.S.C. 1320a-8, or (iii) been excluded from participation in any government healthcare program. Additionally, it is the intention of the parties, that for purposes of the Federal Anti-kickback Statute, any discount, rebate or other participating group credit, as described in the Master Agreement, shall constitute and be treated as discount against the price of drugs within the meaning of 42 U.S.C. §1320a 7b(b)(3)(A). It shall be the responsibility of the parties to promptly notify the other party in writing of any changes in its status relative to the foregoing conditions. Notwithstanding any agreement to the contrary, each party reserves the right to terminate this agreement immediately by providing written notice to the other party, based upon a determination in the party's good faith determination that the other party has (i) materially failed to

comply with the above requirements applicable to the party or (ii) been convicted, sanctioned or excluded in the manner described above.

We submit this Cooperative Membership Agreement and request membership in Cooperative as described above, and if accepted, agree to be legally bound to our commitments stated above as consideration for our receipt of the benefits from our Cooperative membership.

LANE COUNTY
Name of Applicant (Organization)

by: _____
Signature of Authorized Representative

_____
Name & Title

_____
Date Signed

The applicant named above is hereby accepted as a Member of Cooperative on the terms set forth above as of the date counter signed by Applicant.

NATIONAL COOPERATIVERX

by: _____
Signature of Authorized Representative

Josh Bindl, CEO
Name & Title

_____
Date signed

10781200.4

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT ("BA Agreement") is made and entered into, effective on the date first set forth in the signature block below, by and between National CooperativeRx, a Wisconsin cooperative ("National CooperativeRx"), and the Participant set forth in the signature block below ("Participant").

WHEREAS, National CooperativeRx arranges for certain pharmacy benefit management services to Participant as part of Participants' health care plan(s) for employees, insureds or other covered lives ("Members") as will be set forth or as currently set forth in a Member Agreement between National CooperativeRx and the Participant ("Member Agreement");

WHEREAS, Participant is a "**Covered Entity**" as that term is used in the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, Title 45, Parts 160 and 164 of the Code of Federal Regulations; and, Participant desires to engage National CooperativeRx to provide certain pharmacy benefit management services from time to time on behalf of and for the benefit of Participant pursuant to an agreement (the "Master Agreement") between National CooperativeRx (f/k/a WisconsinRx) and a pharmacy benefit management company ("PBM"), and Participant has entered into an addendum ("Participating Group Addendum") that supplements the Master Agreement with the same PBM; and,

WHEREAS, National CooperativeRx desires to provide certain pharmacy benefit management services from time to time on behalf of and for the benefit of Participant; and, National CooperativeRx is a "**Business Associate**" as that term is used in HIPAA; and,

WHEREAS, Participant and National CooperativeRx mutually agree to the terms of this BA Agreement, mutually agree to comply with the applicable requirements of HIPAA's implementing regulations dealing with the confidentiality of Protected Health Information, mutually agree that if any conflict exists between the terms of the Member Agreement and this BA Agreement, the terms of this BA Agreement shall govern; and, mutually agree that this BA Agreement is applicable to National CooperativeRx in its capacity as Participant's pharmacy benefits manager and not in its capacity as a mail order pharmacy or other health care provider, at which times National CooperativeRx is a Covered Entity and is not serving as Participant's Business Associate.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby covenant and agree as follows:

1. Definitions.

1.1 "**Protected Health Information**" (PHI) shall have the meaning given such term by HIPAA: e.g., any information, whether oral or recorded, in any form or medium, that is created or received by or on behalf of a health care provider, health plan, employer or health care clearinghouse and that:

(a) relates to the past, present, or future physical or mental condition of any Individual; the provision of health care to an Individual; or the past, present or future payment for the provision of health care to an Individual; and

(b) identifies the Individual, or with respect to which there is a reasonable basis to believe the information can be used to identify the Individual. PHI includes demographic information unless such information is de-identified according to the

Privacy Rule.

1.2 "**Individual**" shall mean the person who is the subject of PHI and with regard to rights granted by the Privacy Rule, Individual shall also include a person who qualifies under the Privacy Rule as a personal representative of the Individual.

1.3 "**HITECH Act**" shall mean the Health Information Technology for Economic and Clinical Health Act (Title XIII of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 (2009)).

1.4 Capitalized terms used in this BA Agreement, but not otherwise defined in this BA Agreement, shall have the meanings given those terms in the Privacy Rule (Title 45, Parts 160 and 164, Subparts A and E of the Code of Federal Regulations), the Security Rule (Title 45, Parts 160 and 164, Subparts A and C of the Code of Federal Regulations), the Breach Notification Rule (Title 45, Part 164, Subpart D of the Code of Federal Regulations), or otherwise in HIPAA, the HITECH Act (collectively, the "**HIPAA Rule**s"), and the Master Agreement between National CooperativeRx and Participant, as applicable. References to PHI in this BA Agreement shall also include, but are not limited to, Electronic PHI.

2. Prohibition on Unauthorized Use or Disclosure of PHI. National CooperativeRx shall not use or disclose any PHI received from, or created, maintained or received by National CooperativeRx on behalf of, Participant except as permitted or required in order to perform or improve the Services as specified in the Master Agreement or the Member Agreement, as required by law, or as otherwise authorized by this BA Agreement or in writing by Participant. Except as otherwise provided in this BA Agreement, National CooperativeRx may not use or disclose PHI in a manner that would violate the Privacy Rule if done by Participant.

3. Use and Disclosure of PHI. Except as described in Sections 4 and 5 of this BA Agreement, National CooperativeRx may use or disclose PHI only for the following purpose(s):

3.1 National CooperativeRx may use or disclose PHI to Participant, Participating Pharmacies, Members' providers, the PBM, and Members in a manner consistent with the performance of National CooperativeRx's Services for Participant and the fulfillment of National CooperativeRx's obligations to Participant under the Master Agreement, Participating Group Addendum, and Member Agreement. National CooperativeRx may assume that members of Participant's workforce who request or receive PHI are performing Plan administration activities for Participant and are authorized to receive PHI on its behalf.

3.2 National CooperativeRx may use and, subject to the requirements of Section 4, disclose, PHI in order to create aggregated data, and may use the aggregated data alone or in combination with the data of other Covered Entities, to provide data analyses, as specified in the Master Agreement, that relate to Participant's health care operations. National CooperativeRx may also provide such data analyses to the other Covered Entities whose data was included in the analyses, to the extent permitted by 45 CFR § 164.504(e)(2)(i)(B).

3.3 To conduct drug utilization review for another Covered Entity if both Participant and the other Covered Entity have had a relationship with the Individual whose PHI is involved and the PHI relates to that relationship.

3.4 To report violations of Law to appropriate federal and state authorities, consistent with 45

CFR § 164.502(j)(1).

3.5 To [Other Business Associate] for the purpose of [Other Business Associate] conducting an audit of National CooperativeRx and for the purpose of [Other Business Associate] performing other services for Participant, as directed by Participant.

3.6 Pursuant to an Individual authorization in accordance with 45 CFR §164.508.

3.7 For treatment, payment and health care operations of health care providers and other Covered Entities as permitted by 45 CFR §164.506(c); and

3.8 As otherwise authorized in writing by Participant.

4. Use and Disclosure of PHI for Certain of National CooperativeRx's Operations. National CooperativeRx may use and/or disclose PHI received from, or created or received by National CooperativeRx on behalf of, Participant to the extent necessary for National CooperativeRx's proper management and administration, or to carry out National CooperativeRx's legal responsibilities, but only if such use and/or disclosure is not for Marketing, as defined by the HIPAA Rules, and provided that, in the case of any disclosures for this purpose:

4.1 The disclosure is required by law; or

4.2 National CooperativeRx obtains reasonable assurances, evidenced by written contract, from any person or organization to which National CooperativeRx shall disclose such PHI that such person or organization shall:

(a) Hold such PHI in confidence and use or further disclose it only for the purpose for which National CooperativeRx disclosed it to the person or organization, or as required by law; and

(b) Notify National CooperativeRx, who shall in turn promptly notify Participant, of any instance which the person or organization becomes aware of in which the confidentiality of such PHI was breache(d)

5. De-identified Information. National CooperativeRx may use or disclose PHI, subject to the requirements of Section 7 of this BA Agreement, in order to de-identify such PHI in accordance with 45 CFR § 164.514 and may use and disclose such de-identified information for creating comparative databases and performing statistical analysis and for such other purposes as it deems appropriate.

6. Safeguarding PHI. National CooperativeRx agrees that it has developed, implemented, maintains, and shall use appropriate administrative, technical, and physical safeguards to prevent the use or disclosure of all PHI, in any form or media, received from, or created or received by National CooperativeRx on behalf of Participant other than as provided in this BA Agreement. National CooperativeRx shall document and keep these security measures current. These security measures shall include the following elements:

6.1 In using and disclosing PHI for a purpose permitted by this BA Agreement, National CooperativeRx shall comply with the minimum necessary standard and requirements set forth in 45 CFR § 164.502(b), 45 CFR § 164.514(d), Section 13405(b) of the HITECH Act and any binding guidance or interpretation set forth by the U.S. Department of Health and Human Services (U.S.) from time to time relating to the minimum necessary standard.

6.2 Safeguards for the transmission of PHI by email.

7. Subcontractors and Agents. National CooperativeRx agrees to require that any agent, including any Subcontractor, to whom it delegates any function or activity it has undertaken to perform on behalf of Participant, and who creates, receives, maintains or transmits PHI on behalf of National CooperativeRx, agrees to substantially the same restrictions and conditions on the use or disclosure of PHI as are imposed on National CooperativeRx by this BA Agreement. National CooperativeRx agrees to require any Subcontractor who creates, receives, maintains or transmits Electronic PHI on behalf of National CooperativeRx to comply with the requirements of the Security Rule by entering into a contract that complies with 45 C.F.R. § 164.314(a).

8. Access to PHI. Upon the Participant's written request, National CooperativeRx agrees to provide access to any PHI held by National CooperativeRx in a Designated Record Set, in a reasonable time (but in no event later than ten (10) calendar days from National CooperativeRx's receipt of the request) and manner as required for Participant to respond to requests for access under 45 CFR § 164.524. This access will be provided to Participant or, as directed by Participant in its written request, to an Individual or the Individual's designee, in order to meet the requirements under 45 CFR § 164.524. All Individual requests to exercise their rights under HIPAA must be directed to Participant and National CooperativeRx will assist in responding to such requests forwarded to it by Participant as provided in this paragraph. National CooperativeRx agrees that if it maintains PHI in an Electronic Health Record, as defined in the HITECH Act, it shall provide such access in electronic format if so requested by Participant, to the extent required by and in accordance with Section 13405(e) of the HITECH Act.

9. Amendment to PHI. Upon the Participant's written request, National CooperativeRx agrees to make such amendments or corrections to PHI held by National CooperativeRx in a Designated Record Set, in a time and manner as required by 45 CFR § 164.526.

10. Reporting of Unauthorized Uses or Disclosures of PHI and Security Incidents. National CooperativeRx shall report to Participant any use or disclosure of PHI not authorized by this BA Agreement or in writing by Participant, of which it becomes aware, including any Security Incidents. National CooperativeRx shall make the report to Participant's Privacy Official promptly, but not more than ten (10) business days after National CooperativeRx learns of such use or disclosure. National CooperativeRx's report shall, to the extent known by it, identify: (i) the nature of the unauthorized use or disclosure, (ii) the PHI used or disclosed, (iii) who received the unauthorized disclosure, (iv) what National CooperativeRx has done or shall do to mitigate, to the extent practicable, any known deleterious effect of the unauthorized use or disclosure, and (v) what corrective action National CooperativeRx has taken or shall take, to the extent practicable, to protect against future similar unauthorized use or disclosure. National CooperativeRx shall provide such other information, including a written report, as reasonably requested by Participant's Privacy Official.

11. Notification in the Case of Breach.

11.1 Notification in the Case of Breach. If National CooperativeRx accesses, receives, creates, transmits, maintains, retains, modifies, records, stores, destroys or otherwise holds, uses, or discloses Unsecured Protected Health Information, National CooperativeRx shall notify Participant, in writing, of any Breach of such information, including any Breach discovered by an employee, officer, or other agent of National CooperativeRx, as determined in accordance with the federal common law of agency.

(a) Timing of Notification. National CooperativeRx shall provide Participant with the written notification of a Breach of Unsecured Protected Health Information

without unreasonable delay and in no case later than twenty (20) calendar days following the first day on which such Breach is discovered by National CooperativeRx. A Breach shall be treated as discovered by National CooperativeRx as of the first day on which such Breach is known to National CooperativeRx or, by exercising reasonable diligence, would have been known to National CooperativeRx. National CooperativeRx shall be deemed to have knowledge of a Breach if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of National CooperativeRx, as determined in accordance with the federal common law of agency.

(b) Content of Notification. National CooperativeRx's written notification to Participant shall include the following:

(i) the identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by National CooperativeRx to have been, accessed, acquired, or disclosed during such Breach;

(ii) a brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;

(iii) a description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

(iv) any steps Individuals should take to protect themselves from potential harm resulting from the Breach;

(v) a brief description of what National CooperativeRx is doing to investigate the Breach, to mitigate harm to Individuals, and to protect against any further Breach; and

(vi) the name and contact information of the individual designated by National CooperativeRx to answer questions from Participant regarding the Breach.

(c) Law Enforcement Delay. Notwithstanding Section 11.1(a) of this BA Agreement above, if a Law Enforcement Official states to National CooperativeRx that the notice otherwise required under Section 11.1(a) of this BA Agreement would impede a criminal investigation or cause damage to national security, National CooperativeRx shall: (1) if the statement is in writing and specifies the time for which a delay is required, delay such notice for the time period specified by the official; or (2) if the statement is made orally, document the statement, including the identity of the official making the statement, and delay the notice no longer than 30 days from the date of the oral statement, unless a written statement as described in (1), above, is submitted during that time. National CooperativeRx shall promptly notify Participant of any statement it receives from a Law Enforcement Official, whether in writing or oral, to delay such notification, and forward a copy of such statement to Participant upon request.

(d) Costs of Notification. National CooperativeRx shall reimburse Participant for any

and all reasonable costs incurred by Participant to notify Individuals or their next of kin (if the Individual is deceased) of any Breach of such Individuals' Unsecured Protected Health Information, as well as any reasonable costs associated with the Breach, including but not limited to, credit monitoring subscriptions for affected Individuals, only if such Breach is caused by National CooperativeRx, its employees, officers, or directors failure to implement reasonable and appropriate safeguards as required by this BA Agreement, and not due in whole or in part to the acts or omissions of Participant.

(e) Notification to Individuals. The Parties agree that Participant shall have sole responsibility for notifying Individuals of any Breach of Unsecured Protected Health Information, regardless of whether such Breach is caused, in whole or in part, by National CooperativeRx. National CooperativeRx further agrees not to provide any notification of or information regarding any actual or potential Breach, whether in writing or orally, to the affected Individuals.

12. Security and Privacy Requirements of HITECH ACT.

12.1 Security Requirements. National CooperativeRx shall comply with the applicable requirements of the Security Rule, including, but not limited to, developing, implementing, maintaining and using appropriate administrative, technical, physical and organizational safeguards to preserve the confidentiality, integrity, and availability of all electronically maintained or transmitted PHI received from, or created or received by National CooperativeRx on behalf of, Participant, as required by 45 CFR §§ 164.306, 164.308, 164.310, 164.312, and 164.316. National CooperativeRx shall document and keep these security measures current and available for inspection, upon request.

12.2 Privacy and Security Provisions. National CooperativeRx agrees to comply with the additional security and privacy requirements of the HITECH Act that are made applicable to Covered Entities as required by sections 13401 and 13404(a) respectively of the HITECH Act. National CooperativeRx may use and disclose PHI only if such use or disclosure, respectively, is in compliance with the applicable provisions of 45 CFR § 164.504(e). The parties acknowledge and agree that 45 CFR § 164.504(e)(1)(ii) shall apply to National CooperativeRx in the same manner that such section applies to Participant with respect to compliance with the standards in 45 CFR § 164.502(e) and 45 CFR § 164.504(e), as required by Section 13404(b) of the HITECH Act.

13. Mitigating Effect of Unauthorized Disclosures or Misuse of PHI. National CooperativeRx agrees to mitigate, to the extent practicable, any harmful effect that is known to National CooperativeRx of a use or disclosure of PHI by National CooperativeRx in violation of this BA Agreement and/or the HIPAA Rules.

14. Accounting of Disclosures. If National CooperativeRx makes any disclosures subject to an accounting under 45 CFR § 164.528, National CooperativeRx shall maintain an ongoing log of the details relating to such disclosures as would be required for Participant to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. For each such disclosure, the log shall note the information required by 45 CFR §164.528 or: (i) the date made, (ii) the name of the person or organization who received the PHI, (iii) the recipient's address, if known, (iv) a description of the PHI disclosed, and (v) the reason for the disclosure. National CooperativeRx shall, within twenty (20) business days of a Participant's written request, provide such log to Participant to permit Participant to respond to a request by an Individual for an accounting of disclosures of his/her PHI. National CooperativeRx must

maintain the log for a rolling period of up to six (6) years preceding a request from Participant or HHS for such log.

15. Accounting to Covered Entity and to Government Agencies. National CooperativeRx shall make its internal practices, policies, procedures, books and records relating to the use and disclosure of PHI received from, or created or received by National CooperativeRx on behalf of, Participant available at the written request of Participant or HHS, to HHS in a time and manner reasonably designated by HHS, for inspection and copying, for the purpose of determining Participant's compliance with the Privacy Rule. To the extent permitted by law, National CooperativeRx shall promptly notify Participant of communications with HHS regarding PHI provided by or created by Participant pursuant to a request by HHS that specifically names Participant as a subject of the inquiry and shall, to the extent permitted by law and excluding any data National CooperativeRx deems proprietary, provide Participant with copies of any information National CooperativeRx has made available to HHS under this provision.

16. Termination.

16.1 This BA Agreement shall take effect upon execution and shall terminate upon termination of the Member Agreement, except to the extent provided in Section 16.2(b) of this BA Agreement below.

16.2 If National CooperativeRx materially breaches any of its obligations under this BA Agreement, Participant, in its sole discretion, shall have the right to:

(a) exercise any of its rights to reports, access, and inspection under this BA Agreement; and/or

(b) provide National CooperativeRx with thirty (30) business days (or longer in Participant's discretion) to cure the breach and terminate the Member Agreement and this BA Agreement if National CooperativeRx does not cure the breach within the specified time; and/or

(c) terminate the Member Agreement and this BA Agreement immediately if cure is not possible; and/or,

(d) if the breach is not cured and termination is not feasible, report the violation to HHS.

16.3 Before exercising any of these options, Participant shall provide written notice to National CooperativeRx describing the violation and the action it intends to take.

17. Return or Destruction of PHI. Upon termination, cancellation, expiration, or other conclusion of the Services provided by National CooperativeRx for, or on behalf of, Participant, National CooperativeRx shall:

17.1 Subject to subsection (17.2), at Participant's request, return to Participant all PHI which was created or received by National CooperativeRx on behalf of Participant, in whatever form or medium said PHI exists, including all related data, in a form that can be converted by Participant and held by the database systems chosen by Participant as directed by Participant. Participant agrees to reimburse National CooperativeRx for any expenses (e.g., materials and postage) related to returning the PHI in a form chosen by Participant. Prior to incurring any expenses, National CooperativeRx shall provide, in writing, an estimate

of likely expenses related to returning the PHI. Unless subsection (17.2) applies, National CooperativeRx shall retain no copies of PHI, including any compilations which include PHI, and shall destroy or require destruction or return of all copies in its possession and in the possession of any of its subcontractors or agents. National CooperativeRx shall complete such return and destruction as promptly as possible, but not more than thirty (30) days after the effective date of the conclusion of the Services provided by National CooperativeRx. Within such thirty (30) day period, National CooperativeRx shall certify on oath in writing to Participant that such return and destruction has been complete(d) This provision shall also apply to all PHI that is in the possession of subcontractors or agents of National CooperativeRx to whom it delegated any Services performed by it for Participant.

17.2 If return or destruction is not feasible because National CooperativeRx is required by law to maintain documents for a certain period of time, or because Participant's agreement with National CooperativeRx requires National CooperativeRx to maintain records for a certain period of time, or because it is not operationally or legally feasible for National CooperativeRx to return or destroy such PHI, then National CooperativeRx agrees that its obligation to protect said PHI in accordance with this BA Agreement shall be continuous for so long as it retains any PHI and shall survive any termination, cancellation, expiration, or other conclusion of the Member Agreement and/or this BA Agreement. However, National CooperativeRx shall limit any further uses and disclosures to the purposes that make return or destruction of the PHI not feasible. At such time as National CooperativeRx determines that it is feasible to return or destroy the PHI, National CooperativeRx shall return or destroy said PHI within 30 days of making such determination.

18. Miscellaneous.

18.1 A reference in this BA Agreement to a section in the Privacy Rules, Security Rule and the HITECH Act means the section Participant or National CooperativeRx is required to comply with, whether the section is in effect at the time of execution, or subsequently amended, or interpreted by the courts in a manner impacting Participant's or National CooperativeRx's compliance obligations.

18.2 Upon the effective date of any amendment to the regulations promulgated by HHS with regard to PHI, the parties agree to promptly negotiate in good faith to amend this BA Agreement so that the obligations imposed on the parties shall remain in compliance with such regulations.

18.3 Any ambiguity in this BA Agreement shall be resolved in favor of a meaning that permits the parties to comply with the Privacy Rules, Security Rule and the HITECH Act.

18.4 In conducting standard transactions electronically for or on behalf of Participant, National CooperativeRx will comply with each applicable requirement of HIPAA and its implementing regulations for Standard Electronic Transactions and Code Sets, found at 45 CFR Part 162 and require any subcontractors and agents to comply with such requirements.

18.5 National CooperativeRx will provide Participant, upon request, National CooperativeRx's guidelines for Member verification and the disclosure of PHI to Members and third parties, including the immediate family of a Member who is the subject of the PHI. National CooperativeRx agrees to cooperate and work with Participant to revise these guidelines if the parties agree that they do not comply with the requirements of the HIPAA Rules.

18.6 Changes to this BA Agreement. The parties agree to negotiate in good faith to amend this BA Agreement or the Participant Addendum between National CooperativeRx and Participant as necessary to comply with any changes in the HIPAA Rules.

IN WITNESS WHEREOF, each of the undersigned has caused this BA Agreement to be duly executed in its name and on its behalf.

LANE COUNTY HEALTH BENEFITS PROGRAM PARTICIPANT (COVERED ENTITY)		NATIONAL COOPERATIVERX (BUSINESS ASSOCIATE)	
By:	_____	By:	_____
Print Name:	_____	Print Name:	Josh Bindl
Title:	_____	Title:	CEO
Date:	_____	Date:	_____

Company: Lane County

Address: 125 East 8th Avenue
Eugene, OR 97401

LANE COUNTY BOARD OF COUNTY COMMISSIONERS PHARMACY BENEFIT MANAGEMENT PROPOSAL

LANE COUNTY HUMAN RESOURCES
AUGUST 26, 2025

BACKGROUND

- To alleviate growing health care costs and explore alternative health care strategies County Human Resources (HR) staff proactively engaged with USI to analyze pharmacy benefit spending.
- USI Benefit Brokers conducted a request for proposals (RFP) for pharmacy benefit management (PBM) on behalf of Lane County.
- Benefits are exempted from the standard RFP process used by the County. See exemption per Lane Manual 20.200.100(E).
- USI cultivated three bids for PBM services.
- HR and County Budget recommend that we move to National Cooperative Rx (NCRx) starting January 1, 2026.

CRITERIA FOR SELECTION

- Cost Savings Potential
- Minimizing Employee Disruption and Impact
- Employee Customer Service
- Employer Customer Service and Transparency
- Pharmacy Benefit Management Organization Profile
- Transition

COST SAVINGS POTENTIAL

- USI is calculating a –41.2% to -47.9% or ($2,537,907 to $2,951,721) savings from prior year pharmacy spend by moving to NCRx. This is based on actual claim data from the prior year.
- Savings will change year to year as pharmacy utilization shifts and changes. The prior year savings is an illustration of projected future savings.
- Savings are generated through greater buying power and passed down in the form of rebates delivered four times per year lagged by one quarter.
- References confirm savings meeting NCRx projections.
- Savings are less $19,000 in transition fees, $55,620 carve out fees and an estimated annual administration of $13,569 annually.

MINIMIZING EMPLOYEE DISRUPTION

- Government references for NCRx were excellent and they reported no complaints or grievances due to transition.
- The current formulary for employees will be transferred over and NCRx claims that there will be no disruption to employee pharmacy services.
- Employees will need to make some administrative changes such as updating their financial information and using different customer service contacts designed specifically for NCRx.
- Labor Relations anticipates no grievances or demands to bargain based on the transition process as outlined by USI and the vendor, NCRx.

EMPLOYEE & EMPLOYER CUSTOMER SERVICE

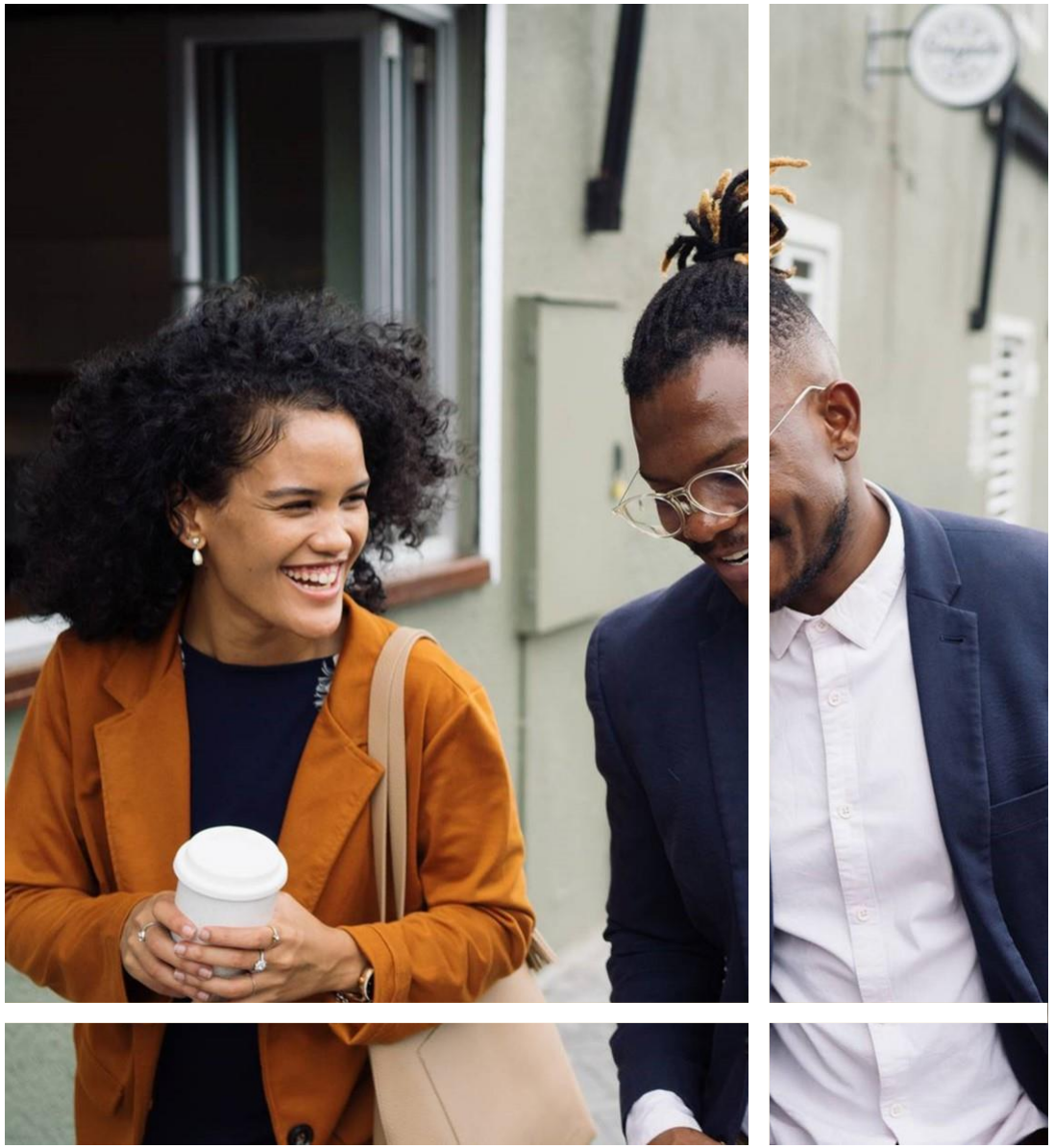
- PacificSource works with CVS Pharmacy as does NCRX. As a result, the customer service experience is expected to remain similar or improve.
- References indicate that they are extremely satisfied with employee customer service and there were zero reports of complaints or grievances due to their service.
- Service to the County will increase as there will be more transparency and potentially more tools to better manage pharmacy spending.

NCRX PROFILE

- NCRx is a national, member-owned, not-for-profit purchasing cooperative that provides pharmacy benefit solutions for self-funded plan sponsors.
- Formed in 2003 by three founding member groups who wanted greater control of their pharmacy spend, transparent plan management, and data to help guide decisions.
- NCRx serves 315 member groups serving nearly 500,000 lives in all 50 states and is based out of Madison, Wisconsin.

TRANSITION

1. County and NCRx to finalize contractual agreements
2. County, USI and NCRx to analyze claims data and determine disruption minimization strategies as needed
3. Communications to employees with instructions on changes and actions that must be taken
4. Implementation is finalized and goes into place January 1, 2026



QUESTIONS?