

1st AMENDMENT TO THE HEALTH SERVICES AGREEMENT
between
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
and
CORIZON, LLC

THIS 1st Amendment is entered into by and between the Lexington-Fayette Urban County Government, Division of Community Corrections ("LFUCG") and Corizon, LLC ("Corizon") (hereinafter collectively referred to as the "parties"), is effective as of February 1, 2021 (the "Effective Date").

WITNESSETH:

WHEREAS, LFUCG and Corizon previously entered into the Health Services Agreement dated July 1, 2019; and

WHEREAS, the parties now desire to amend the terms of the agreement to address responsibility for HIV medications and the resulting compensation.

NOW, THEREFORE, with the intent to be legally bound, and in consideration of the covenants and promises hereinafter made, the Parties hereto agree as follows:

1. The parties acknowledge and agree that Corizon will not be responsible for the cost of HIV medications, as amended in Section 1.9, as follows:

1.9 Pharmaceutical Services. Medications prescribed for any inmate that are currently maintained on-site in stock medication form will be made available within eight (8) hours of the order being written. Non-formulary and patient specific prescriptions will be made available to the inmate on the next business day, Monday through Friday. Corizon will utilize the community back up pharmacy on weekends, after normal business hours, and holidays, to ensure timely procurement and delivery of medication. Corizon will be responsible for the cost of all medications, with the exception of HCV medications, HIV medications, psychotropic medications and Factors VIII and IX for the treatment of blood disorders, including the associated charges to package and deliver medication to the Facility. Corizon will bill LFUCG with its actual acquisition cost for all HCV and HIV medications and Factors VIII and IX provided at the facility. Corizon will bill LFUCG for all psychotropic medications prescribed. Corizon will continue to be responsible for receipt, inventory, distribution,

and administration of psychotropic medications for the mental health provider.

Corizon will take returns for all pharmaceuticals from LFUCG based upon Federal, State, and Local laws and regulations. Credit for returned medications will be given to LFUCG on HCV and HIV medications and factor products in accordance with these guidelines, as well as Corizon's standards for return and reuse of medications. Corizon will issue credit for the quantities returned for HCV and HIV medications and Factor products at the base price originally charged to LFUCG.

Other than HCV and HIV medications and factor products, inasmuch as Corizon bears the risk associated with providing medications and pharmaceutical services for the inmate population all discounts and rebates negotiated and received by Corizon or its pharmacy vendor will remain the property of Corizon and/or its pharmacy vendor. Discounts and rebates on HCV and HIV medications and factor products will be passed along to LFUCG based upon LFUCG's net utilization as a percentage of total utilization generating the discount or rebate.

Corizon will work with its pharmacy subcontractor to investigate whether they can obtain 340B pricing for specific categories of pharmaceuticals provided to LFUCG's inmates. If Corizon and/or its pharmacy vendor obtains 340B pricing which results in an overall reduction in program costs from the current medical contract price, Corizon agrees that the savings resulting from 340B pricing will be for the benefit of LFUCG and the parties will agree on a mutually acceptable process and/or amendment to provide those savings to LFUCG.

2. To address the change in HIV medication responsibility, Section 9.1 is amended as follows:

9.1 Base Compensation. LFUCG will pay Corizon the sum of \$5,330,742 for the first year of this Agreement for a daily average base inmate population between 1,450 and 1,550 inmates, payable in equal monthly installments of \$444,228.50 per month.

Compensation for the second year of this Agreement for the period of July 1, 2020 to January 31, 2021 will be \$5,485,328, payable in monthly installments of \$457,110.67.

In accordance with amended Section 1.9 above, effective April 1, 2021, the compensation for the second year of this Agreement for the period of

April 1, 2021 to June 30, 2021 will be \$5,005,328 payable in installments of \$417,110.67.

Compensation for the third year of this Agreement will be \$5,151,303, payable in monthly installments of \$429,275.25.

Corizon will bill LFUCG on or before the first day of the month for which services will be rendered, and LFUCG agrees to pay Corizon on or before the last day of the month for which services will be rendered. In the event this Agreement should terminate on a date other than the end of a calendar month, compensation to Corizon will be pro-rated accordingly for the shortened month.

3. The second paragraph of Section 9.3 is amended as follows:

For the period of April 1, 2021 to June 30, 2021, the per diem rates for contract year two will be \$0.67, and contract year three will be \$0.71. These rates will be applied when the population exceeds 1,550 or falls below 1,450.

4. A new Section 9.5 addressing paybacks from Corizon to LFUCG for HIV medications shall be added as follows:

9.5 HIV Paybacks. For the first year of the agreement, July 1, 2019 to June 30, 2020, the average population was 1,204 (or approximately 83% of the projected population of 1,450). With the reduced population, the projected HIV medication spend was reduced from the projected \$480,000 to \$398,600, with \$81,600 previously paid to LFUCG as a population adjustment in accordance with Section 9.3. Corizon spent a total of \$355,118 of the available \$398,600. Corizon will pay back \$43,482 to the client for the first year of the contract for the unused portion of the HIV medication budget.

For the second year of the contract, the average population from July 1, 2020 through March 2021 was 954 which is 66% of the contractual population threshold of 1,450. With the reduced population, the projected annual HIV medication spend is reduced from the projected \$494,400 to \$326,304, with \$168,096 projected to be returned to LFUCG as a population adjustment in accordance with Section 9.3. For purposes of this amendment the adjusted annual HIV amount of \$326,304 will be pro-rated from July 1, 2020 through March 31, 2021 for a total of \$244,728. Corizon spent a total of \$49,072 for HIV medications during this time period July 1,

2020 through March 31 2021, therefore Corizon will pay back to the client the amount of \$195,656 for the unused pro-rated portion in year two of this Agreement.

- 5. All terms and conditions set forth in the original Agreement, not amended by this 1st Amendment, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have set their hands and seals hereto as of the day and year first above written.

**Lexington-Fayette Urban County of
Community Corrections**

Attest: _____

By: _____
Title: _____

Corizon, LLC

Attest: _____

By: _____
Title: _____