

PHARMACY AUDIT INTERVENTION AND RESPONSE (“PhAIR”)

Frier & Levitt, LLC (“F&L”) is a law firm dedicated to representing pharmacies. We have saved thousands of pharmacies millions of dollars in recoupment avoidance following completed PBM Audits. The Firm is substantially devoted to curbing PBM audit abuse. We have shared our specialized knowledge of PBM auditing during speaking engagements at the National Community Pharmacy Association annual convention and recently at the Federal Trade Commission. Aggressive attorneys protect the copious profits of PBMs. **PhAIR**[®]—was designed to protect pharmacies. Read on if your pharmacy needs legal protection.

F&L has a strong working relationship with PAAS National®, the Pharmacy Audit Assistance Service.

PAAS National® Provides Pre and Post Audit Assistance

PAAS has provided consulting services since 1993 with experience in over 14,700 audits with savings of over \$59 million in PBM and Managed Care Plans charge-back penalties. PAAS National® is a membership based organization with over 4000 pharmacies in all 50 states. PAAS provides pre and post audit assistance for on-site, desk and invoice audits. In addition PAAS offers a Third Party Monthly Newslines, Contract Analysis, unlimited toll-free assistance for filling and billing questions, Membership Manual, third party contact information, a forms library, signature logbooks and a Fraud Waste and Abuse Compliance Program.

F&L Provides Legal Representation after the Audit is Finalized

When the PBM audit concludes, F&L represents pharmacies in litigation or arbitration stemming from the audits or network termination. F&L designed PhAIR[®] to provide pharmacies special membership benefits, listed below.

For an annual Membership Fee of \$400.00, pharmacies receive valuable Covered Services and other Member Benefits in the event an audit is initiated by a PBM during the contract year. Pharmacies with an ongoing audit must purchase a two-year **PhAIR**[®] Membership. F&L services begin after the Pharmacy receives the final audit result, often called the **Discrepancy Evaluation Report (“DER”)**.

The \$400 annual Membership Fee includes the following **Covered Services**:

1. Semi-annual emailed newsletter;
2. Review of up to two final DER(s) per year of membership;
3. Forty-five minutes of telephone conference time with an F&L attorney regarding audit results;
4. Review of the PBM’s applicable dispute resolution procedures;
5. Creation of Plan of Action for litigation/arbitration;
6. 10% discount off F&L regular hourly rates;
7. Fixed rates for various litigation tasks against Medco.

Other Valuable **Member Benefits**, beyond Covered Services, at reduced hourly rates (in addition to the Membership Fee). F&L will provide the following services at an hourly rate **reduced by 10%**:

- respond to the final DER and handle the internal appeal;
- conduct litigation/arbitration after an unsuccessful internal appeal;
- F&L will offer Flat Fees (not hourly) on various litigation tasks against Medco;
- Representation beyond PBM Audits, such as the purchase and sale of pharmacies.

Frier & Levitt shall prepare up to five (5) letters to PBMs with whom your pharmacy has a contract requesting information regarding any outstanding/unclaimed checks owed to your pharmacy. We will prepare and send these letters on a contingency basis. Thus, your pharmacy will not have to pay F&L for preparing or sending these letters. F&L shall only be paid if we are successful in recovering money on your behalf. We strongly encourage members to take advantage of this valuable additional benefit as many pharmacies are unaware of the substantial outstanding checks Medco may be holding on their behalf.

F&L reserves the right to reject any Pharmacy and to terminate any Pharmacy with or without cause by returning the Membership Fee. The Membership Fee is otherwise non-refundable.

To discuss **PhAIR**[®], or how F&L can help you, please feel free to contact us at:

Frier & Levitt, LLC
84 Bloomfield Avenue
Pine Brook, NJ 07058

Info@frierlevitt.com; www.frierlevitt.com; 973-618-1660; 1-888-Levitt-1 (888-538-4881)

Terms and Conditions Applicable to Additional Services

This Agreement outlines the terms, scope and costs associated with our performance of legal services beyond the Covered Services (“Additional Services” or “Membership Benefits”). Upon affixing an authorized signature to this Form, and paying the Membership fee, F&L will provide the Covered Services and Additional Services to Member as outlined herein. The Membership Fee is deemed earned at the time of the Membership signup. We accept credit card payments.

Term. The Term is one year from the date of Enrollment, except where Pharmacy pays for two year term.

Hourly Billing Rates will apply to Additional Services requested beyond Covered Services. Partners’ billing rate for all time spent will be \$400.00 per hour. The hourly billing rates of other attorneys range from \$200.00 to \$400.00 and the legal assistant rate is \$115.00. These hourly rates are discounted 10% for all PhAIR members. We bill for travel time and time spent during telephone consultations. We charge for extensive photocopying, filing fees, travel expenses (e.g., tolls, parking) over-night postage that is not the result of a delay on our part, messenger service, online legal research and other significant expenses. We typically raise our fees on January 1st of each year.

Scope. The \$400 Membership is limited to Covered Services. Beyond the Covered Services, F&L attorneys are admitted to practice law in some but not all States. In some instances, F&L will retain Local Counsel, at your cost, but not before obtaining your permission in writing. The location of disputes between PBMs and Pharmacies is determined by contract.

Payment. Our invoices relating to Additional Services are due to be paid within 14 days. If our bills are not paid within that time period, interest will accrue at the rate of 1% of the total amount due per month. In the event we are forced to file a lawsuit or arbitration to collect our fees, you agree to pay our full hourly rate in connection with collection. If invoices are not paid within thirty days, the Pharmacy will lose the 10% discount for **PhAIR**[®] Program Members.

Dispute. Governing Law/Binding Arbitration. This Agreement shall be construed under the laws of New Jersey and all obligations under this Agreement are deemed performed in Morris County, New Jersey. Any dispute arising out of this Agreement, or relating hereto, shall be determined by BINDING ARBITRATION in Morris County, New Jersey.

PhAIR[®] ENROLLMENT FORM

The undersigned hereby enrolls in **PhAIR[®]** and acknowledges and agrees to the Terms and Conditions Applicable to Additional Services.

Store Information

Pharmacy Name: _____
NABP#: _____
NPI#: _____
Street Address*: _____
City*: _____
State*: _____
Zip*: _____
Phone*: _____
Fax*: _____
Your Name*: _____
Your Email Address*: _____

Select Membership Type*

Annual Membership – \$400 / year _____
2-Year Membership – \$750 / 2 years _____

Note: Please enroll each of your pharmacies separately in the program. Only the pharmacy enrolled as a member of PhAIR is entitled to receive the benefits of the program.

Billing Information

- information must match the information on your credit card account.

Card (Company or Contact) Name: _____
Address*: _____
City*: _____
State*: _____
Zip*: _____
Phone*: _____
Email*: _____

Credit Card Information

Card Type: Visa ___ MasterCard ___ American Express ___ Discover ___
Credit Card Number*: _____
Expiration Date*: _____
Authorization Code: _____