

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY



Contract Number
20-1251 A-5

SAP Number
4400006429

Arrowhead Regional Medical Center

Department Contract Representative	<u>Andrew Goldfrach</u>
Telephone Number	<u>(909) 580-6150</u>
Contractor	<u>Cardinal Health, LLC, and Vizient, Inc</u>
Contractor Representative	<u>Steven Grant</u>
Telephone Number	<u>(661) 645-9129</u>
Contract Term	<u>May 1, 2015 through July 31, 2029</u>
Original Contract Amount	<u>\$355,500,000</u>
Amendment Amount	<u>\$190,000,000</u>
Total Contract Amount	<u>\$545,500,000</u>
Cost Center	<u>9177104200</u>
Grant Number (if applicable)	<u></u>

Briefly describe the general nature of the contract: Amendment No. 5 to Contract No. 20-1251 with Cardinal Health, LLC, and Vizient, Inc., for the purchase of pharmaceuticals, increasing the contract amount by \$190,000,000, from \$355,500,000 to \$545,500,000, and extending the contract period by five years, for a total contract period of May 1, 2015 through July 31, 2029.

FOR COUNTY USE ONLY

Approved as to Legal Form

Charles Phan, Supervising Deputy County Counsel

Date 7/11/2024

Reviewed for Contract Compliance
▶

Date _____

Reviewed/Approved by Department

Andrew Goldfrach, Arrowhead Regional Medical Center CEO

Date 7/18/2024

FIFTH AMENDMENT TO ADDENDUM

THIS FIFTH AMENDMENT TO ADDENDUM (this “Amendment”) is made and entered effective August 1, 2024 (the “Fifth Amendment Effective Date”), between and among **VIZIENT SUPPLY, LLC f/k/a NOVATION, LLC**, a Delaware limited liability company (“Vizient”), San Bernardino County (formerly known as County of San Bernardino) on behalf of Arrowhead Regional Medical Center (“Member”), and Cardinal Health 110, LLC and Cardinal Health 112, LLC (collectively, “Distributor”). Vizient, Member, and Distributor are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”

WHEREAS, Vizient, Member, and Distributor entered into that certain addendum dated May 1, 2017 and further identified as Vizient contract number DPCARDVL (as may be amended from time-to-time, the “Addendum”);

WHEREAS, the Addendum was an addendum to an agreement between Vizient and Distributor dated May 15, 2015, and further identified as Vizient contract number DPCARD (as amended, the “Previous Base Agreement”);

WHEREAS, Vizient and Distributor entered into a new agreement dated July 1, 2024, also identified as Vizient contract number DPCARD (the “Current Base Agreement”), under which the Addendum became attached as of July 1, 2024, as an addendum thereunder;

WHEREAS, any and all references to the Base Agreement in the Addendum refer to the Current Base Agreement (hereafter referred to as, the “Base Agreement”); and

WHEREAS, the Parties desire to amend the Addendum pursuant to the terms, covenants and conditions set forth in this Amendment.

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter expressed, the Parties agree as follows:

1. Recitals. The foregoing recitals are incorporated herein by this reference as fully set forth at this point in the text of this Amendment.
2. Defined Terms. All capitalized terms used in this Amendment shall have the same meanings given such terms in the Addendum, unless otherwise defined in this Amendment, and all terms defined in this Amendment and not defined in the Addendum are hereby incorporated into the Addendum for all pertinent purposes, unless otherwise stated.
3. Amendment of Addendum. The Addendum is hereby amended as follows:
 - A. Term. Section 3 of the Addendum is hereby amended by deleting subsection a) in its entirety and replacing it with the following:

a) Provided the Base Agreement or a Successor Agreement remains in effect, this Addendum shall be effective beginning on the Effective Date and continue through July 31, 2029 (the "Addendum Term").

B. Section 2. Enhancements. The following is hereby added to the end of Section 2, Enhancements:

It is solely the Member's responsibility to monitor the total cost of purchases to ensure they do not exceed Five Hundred Forty-Five Million and Five Hundred Thousand Dollars (\$545,500,000.00) during the Addendum Term.

C. Campaign Contribution Disclosure Form. Distributor agrees to disclose to Member whether it has made any campaign contributions of more than \$250 to any member of the San Bernardino County ("County") Board of Supervisors or other County elected officer [Sheriff, Assessor-Recorder-Clerk, Auditor-Controller/Treasurer/Tax Collector and the District Attorney] within the 12 months before the Fifth Amendment Effective Date. This form is included as Attachment 1 to this Amendment.

D. Member Enhancements. Attachment 2, Member Enhancements, of the Addendum is hereby deleted in its entirety and replaced with the Attachment 2, Member Enhancements, attached hereto.

4. Miscellaneous.

A. Vizient, Member and Distributor each represent and warrant to the other that the person signing this Amendment on its respective behalf has the requisite authority and power to do so, and to thereby bind the Party on whose behalf such person is signing.

B. This Amendment may be executed in a number of identical counterparts which, taken together, shall constitute collectively one Addendum. The Parties shall be entitled to sign and transmit an electronic signature of this Amendment (whether by facsimile, PDF or other email transmission), which signature shall be binding on the Party whose name is contained therein.

C. Except as herein expressly modified, all terms, conditions and provisions of the Addendum shall remain in full force and effect. To the extent of any inconsistency between the terms and conditions of the Addendum and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall govern.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, Vizient, Member, and Distributor, intending to be bound by the terms of this Amendment and having the authority to bind their respective corporations, hereby execute this Amendment by placing their signatures below:

VIZIENT SUPPLY, LLC

By: DocuSigned by:
Doug Kucera
C41D2D8953BD4F4...

Printed Name: Doug Kucera

Title: VP - Contract Svcs.

Date: 7/17/2024 | 3:41 PM PDT

**CARDINAL HEALTH 110, LLC
CARDINAL HEALTH 112, LLC**

By: DocuSigned by:
Joel McTopy
602CC1BA5000414...

Printed Name: Joel McTopy

Title: Vice President, GPO Accounts

Date: 7/17/2024 | 6:13 PM CDT

**SAN BERNARDINO COUNTY
ON BEHALF OF ARROWHEAD
REGIONAL MEDICAL CENTER**

By: Dawn Rowe

Name: Dawn Rowe

Title: Chair, Board of Supervisors

Date: JUL 23 2024

SIGNED AND CERTIFIED THAT A COPY OF
THIS DOCUMENT HAS BEEN DELIVERED
TO THE CHAIRMAN OF THE BOARD
LYNNA MONTELL
Clerk of the Board of Supervisors
of the County of San Bernardino

By: [Signature]
Deputy

Attachment 1



**Campaign Contribution Disclosure
(SB 1439)**

DEFINITIONS

Actively supporting the matter: (a) Communicate directly with a member of the Board of Supervisors or other County elected officer [Sheriff, Assessor-Recorder-Clerk, District Attorney, Auditor-Controller/Treasurer/Tax Collector] for the purpose of influencing the decision on the matter; or (b) testifies or makes an oral statement before the County in a proceeding on the matter for the purpose of influencing the County's decision on the matter; or (c) communicates with County employees, for the purpose of influencing the County's decision on the matter; or (d) when the person/company's agent lobbies in person, testifies in person or otherwise communicates with the Board or County employees for purposes of influencing the County's decision in a matter.

Agent: A third-party individual or firm who, for compensation, is representing a party or a participant in the matter submitted to the Board of Supervisors. If an agent is an employee or member of a third-party law, architectural, engineering or consulting firm, or a similar entity, both the entity and the individual are considered agents.

Otherwise related entity: An otherwise related entity is any for-profit organization/company which does not have a parent-subsidary relationship but meets one of the following criteria:

- (1) One business entity has a controlling ownership interest in the other business entity;
- (2) there is shared management and control between the entities; or
- (3) a controlling owner (50% or greater interest as a shareholder or as a general partner) in one entity also is a controlling owner in the other entity.

For purposes of (2), "shared management and control" can be found when the same person or substantially the same persons own and manage the two entities; there are common or commingled funds or assets; the business entities share the use of the same offices or employees, or otherwise share activities, resources or personnel on a regular basis; or there is otherwise a regular and close working relationship between the entities.

Parent-Subsidiary Relationship: A parent-subsidiary relationship exists when one corporation has more than 50 percent of the voting power of another corporation.

Contractors must respond to the questions on the following page. All references to "Contractor" on this Exhibit refer to Vizient and Distributor. If a question does not apply respond N/A or Not Applicable.

1. Name of Contractor: Cardinal Health 110, LLC, Cardinal Health 112, LLC

2. Is the entity listed in Question No.1 a nonprofit organization under Internal Revenue Code section 501(c)(3)?

Yes If yes, skip Question Nos. 3-4 and go to Question No. 5 No

3. Name of Principal (i.e., CEO/President) of entity listed in Question No. 1, if the individual actively supports the matter and has a financial interest in the decision:

4. If the entity identified in Question No.1 is a corporation held by 35 or less shareholders, and not publicly traded ("closed corporation"), identify the major shareholder(s):

5. Name of any parent, subsidiary, or otherwise related entity for the entity listed in Question No. 1 (see definitions above):

Company Name	Relationship
Cardinal Health, Inc.	Parent of CAH 110 & CAH 112
Kinray I, LLC; Cardinal Health 113, LLC; Cardinal Health 7, LLC; HDG Acquisition, LLC.	Subsidiaries of CAH 110

6. Name of agent(s) of Contractor:

Company Name	Agent(s)	Date Agent Retained (if less than 12 months prior)
Not applicable		

7. Name of Subcontractor(s) (including Principal and Agent(s)) that will be providing services/work under the awarded contract if the subcontractor (1) actively supports the matter and (2) has a financial interest in the decision and (3) will be possibly identified in the contract with the County or board governed special district.

Company Name	Subcontractor(s):	Principal and//or Agent(s):
Not applicable		

8. Name of any known individuals/companies who are not listed in Questions 1-7, but who may (1) actively support or oppose the matter submitted to the Board and (2) have a financial interest in the outcome of the decision:

Company Name	Individual(s) Name
Not applicable	

9. Was a campaign contribution, of more than \$250, made to any member of the San Bernardino County Board of Supervisors or other County elected officer within the prior 12 months, by any of the individuals or entities listed in Question Nos. 1-8?

No If **no**, please skip Question No. 10.

Yes If **yes**, please continue to complete this form.

10. Name of Board of Supervisor Member or other County elected officer: Not applicable

Name of Contributor: Not applicable.

Date(s) of Contribution(s): Not applicable.

Amount(s): Not applicable.

Please add an additional sheet(s) to identify additional Board Members or other County elected officers to whom anyone listed made campaign contributions.

By signing the Amendment, Distributor certifies that the statements made herein are true and correct. Distributor understands that the individuals and entities listed in Question Nos. 1-8 are prohibited from making campaign contributions of more than \$250 to any member of the Board of Supervisors or other County elected officer while award of this Amendment is being considered and for 12 months after a final decision by the County.

**ENHANCEMENT ADDENDUM
ATTACHMENT 2
MEMBER ENHANCEMENTS**

A. Addendum Member Markup. In lieu of any other price reductions available in the Base Agreement, commencing on the Fifth Amendment Effective Date for the remaining duration of the Addendum Term, Member will receive the Addendum Member Markup reflected on the following grid, subject to adjustment for average total monthly net purchase volume as reflected therein. This Addendum Member Markup shall be adjusted quarterly based upon Member’s average total monthly net purchase volume over the prior three (3) months.

The following Addendum Member Markups will be applicable to Member's purchases of Member Markup-eligible non-340B Products:

Monthly Net Purchase Volume	45 Day PRE Pay (Statement)	30 Day PRE Pay (Statement)	15 Day PRE Pay (Statement)	7 Day PRE Pay (Statement)	Next Day Pay (Invoice)	7 Day Pay (Invoice)	Weekly Pay (Statement)	15 Day Pay (Invoice)	Semi-Monthly Pay (Statement)	Monthly Pay (Statement)	30 Day Pay (Invoice)	45 Day Pay (Statement)	45 day Pay (Invoice)
	-27.5 DSO	-12.5 DSO	2.5 DSO	10.5 DSO	2.0 DSO	7.0 DSO	9.5 DSO	15.0 DSO	17.5 DSO	25.0 DSO	30.0 DSO	32.5 DSO	45.0 DSO
\$0.00 - \$2,429,999.99	-4.82%	-4.67%	-4.53%	-4.40%	-4.53%	-4.45%	-4.43%	-4.35%	-4.32%	-4.30%	-4.25%	-4.12%	-3.47%
\$2,430,000.00 - \$3,493,999.99	-6.82%	-6.67%	-6.53%	-6.40%	-6.53%	-6.45%	-6.43%	-6.35%	-6.32%	-6.30%	-6.25%	-6.12%	-5.47%
\$3,494,000.00 - \$3,948,999.99	-6.87%	-6.72%	-6.58%	-6.45%	-6.58%	-6.50%	-6.48%	-6.40%	-6.37%	-6.35%	-6.30%	-6.17%	-5.52%
\$3,949,000.00 & Above	-6.92%	-6.77%	-6.63%	-6.50%	-6.63%	-6.55%	-6.53%	-6.45%	-6.42%	-6.40%	-6.35%	-6.22%	-5.57%

The following Addendum Member Markups will be applicable to Member's purchases of Member Markup-eligible 340B Products:

Monthly Net Purchase Volume	45 Day PRE Pay (Statement)	30 Day PRE Pay (Statement)	15 Day PRE Pay (Statement)	7 Day PRE Pay (Statement)	Next Day Pay (Invoice)	7 Day Pay (Invoice)	Weekly Pay (Statement)	15 Day Pay (Invoice)	Semi-Monthly Pay (Statement)	Monthly Pay (Statement)	30 Day Pay (Invoice)	45 Day Pay (Statement)	45 day Pay (Invoice)
	-27.5 DSO	-12.5 DSO	2.5 DSO	10.5 DSO	2.0 DSO	7.0 DSO	9.5 DSO	15.0 DSO	17.5 DSO	25.0 DSO	30.0 DSO	32.5 DSO	45.0 DSO
\$0.00 - \$2,429,999.99	-5.32%	-5.17%	-5.03%	-4.90%	-5.03%	-4.95%	-4.93%	-4.85%	-4.82%	-4.80%	-4.75%	-4.62%	-3.97%
\$2,430,000.00 - \$3,493,999.99	-7.32%	-7.17%	-7.03%	-6.90%	-7.03%	-6.95%	-6.93%	-6.85%	-6.82%	-6.80%	-6.75%	-6.62%	-5.97%
\$3,494,000.00 - \$3,948,999.99	-7.37%	-7.22%	-7.08%	-6.95%	-7.08%	-7.00%	-6.98%	-6.90%	-6.87%	-6.85%	-6.80%	-6.67%	-6.02%
\$3,949,000.00 & Above	-7.42%	-7.27%	-7.13%	-7.00%	-7.13%	-7.05%	-7.03%	-6.95%	-6.92%	-6.90%	-6.85%	-6.72%	-6.07%

B. The Addendum Member Markups set forth above are conditioned on Member’s net purchases of Non-Injectable Generic Products (“SOURCE”) being equal to or exceeding six-point seven five percent (6.75%) of Member’s total net purchases of Products less Drop Shipments, Specialty Carve Out Pharmaceuticals (defined below), and any products purchased through Distributor’s Specialty Pharmaceutical Distribution channel (“SPD”). If this condition is not met, Distributor reserves the right to adjust Member’s applicable Addendum Member Markup by twenty-five basis points (+0.25%) for each zero-point fifty percent (0.50%) decrease from six point seven five percent (6.75%).

C. Contract Utilization Compliance Based Pricing Adjustment

The Addendum Member Markups set forth above is conditioned on the Member’s Utilization Percentage (as defined below) for all branded Rx Products (the “**Brand Rx Products**”) (excluding Drop Shipments, Specialty Carve Out Pharmaceuticals, and any Brand Rx Products

purchased through SPD) being equal to or exceeding forty-five percent (45.00%). If this condition is not met, Distributor reserves the right to adjust the Member's applicable Addendum Member Markup by ten basis points (+0.10%) for each one percent (1.00%) decrease from forty five percent (45.00%).

"Total Contract Cost" shall mean the Member's total cost for all Brand Rx Products (*excluding* Drop Shipments, Specialty Carve Out Pharmaceuticals, and any Brand Rx Products purchased through SPD) that are purchased under this Addendum, prior to the application of any discounts or rebates. For the sake of clarity, the parties hereby acknowledge and agree that, for purposes of calculating "Total Contract Cost," if a Brand Rx Product is subject to a manufacturer contract, the Member's purchase price for the item under the manufacturer contract, prior to the application of any discounts or rebates, will be the price used in the calculation. However, if a Brand Rx Product is NOT subject to a manufacturer contract, the manufacturer's published wholesale acquisition cost ("**WAC**") for the item at the time of purchase by Member, prior to the application of any discounts or rebates, will be the price used in the calculation.

"Total Wholesale Acquisition Cost" shall mean the total cost Member would have paid for all Brand Rx Products (*excluding* Drop Shipments, Specialty Carve Out Pharmaceuticals, and any Brand Rx Products purchased through SPD) purchased under this Addendum if the Member had paid the WAC at the time of purchase for each such item, prior to the application of any discounts or rebates.

"Utilization Percentage" means the percentage by which the Total Contract Cost for all Brand Rx Products (*excluding* Drop Shipments, Specialty Carve Out Pharmaceuticals, and any Brand Rx Products purchased through SPD) purchased by the Member under this Addendum during the applicable period is less than the Total Wholesale Acquisition Cost. Utilization Percentage is calculated by (1) determining the difference between all Total Wholesale Acquisition Cost for the applicable period and Total Contract Cost for the applicable period, and then (2) dividing that difference by Total Wholesale Acquisition Cost for the applicable period.

D. PURCHASE PRICE FOR SPECIALTY CARVE OUT PHARMACEUTICALS. The purchase price for branded and biosimilar prescription pharmaceutical products included under the American Hospital Formulary Service ("**AHFS**") Drug Classifications for the following treatment categories: Cancer/Oncology, Rheumatoid Arthritis/Rheumatology, Multiple Sclerosis, Hepatitis C, HIV, Crohn's Disease (collectively, the "**Specialty Carve Out Pharmaceuticals**") shall equal Addendum Member Markup of minus 2.50% for eligible non-340B Products and minus 4.50% for eligible 340B Products (excluding such branded or biosimilar pharmaceuticals that are drop-shipped, purchased through Distributor's SPD channel or are otherwise excluded from Member's applicable Addendum Member Markup set forth above). Any newly launched branded or biosimilar pharmaceutical that is added to one of the AHFS Drug Classifications listed above, or any branded or biosimilar pharmaceutical that is reclassified under one of the AHFS Drug Classifications listed above, shall be a Specialty Carve Out Pharmaceutical. In addition, if there are new AHFS Drug Classifications, then Distributor reserves the right to add new AHFS Drug Classifications to those that are

included in the Specialty Carve Out Pharmaceutical categories listed above and will notify Vizient and Member of any such addition.

E. QUARTERLY REBATE. Member will be eligible to receive a quarterly rebate based on Member’s total net purchases of Non-Injectable Generics Products and the Apexus Generic Portfolio (herein defined as “SOURCE Qualified Purchases”) purchased through Distributor as a percentage of Member’s purchases of Products during the applicable calendar quarter, excluding Specialty Carve Out Pharmaceuticals, Drop Shipments and any Products purchased through SPD (the “Quarterly Rebate”). The Quarterly Rebate will be calculated by multiplying Member’s SOURCE Qualified Purchases by the applicable rebate percentage in the following table for the applicable calendar quarter and paid in the form of a check, credit memo or EFT within thirty (30) days of the end of the applicable calendar quarter. The Quarterly Rebate shall be prorated for any partial calendar quarter.

Quarterly Qualified Purchases of Non-Injectable Generics Products and the Apexus Generic Portfolio (as a % of Monthly Qualified Purchases of Products (excluding Specialty Carve Out Pharmaceuticals, Drop Shipments and any Products Purchased Through SPD))	Quarterly Rebate %*
0.00% - 7.24%	0.00%
7.25% - 8.24%	4.00%
8.25% - 8.74%	8.00%
8.75% & Above	12.00%

*Rebate is not cumulative.

The Quarterly Rebate constitutes a "discount or other reduction in price," as such terms are defined under the Medicare/Medicaid Anti-Kickback Statute (42 U.S.C. § 1320a 7b(b)(3)(A) and the "safe harbor" regulations regarding discounts or other reductions in price set forth in 42 C.F.R. § 1001.952(h)), on the applicable Products purchased by Member or any Facility under the terms of this Addendum. Member and/or each Facility(-ies) may have an obligation to accurately report, under any state or federal program which provides cost or charge based reimbursement for the products or services covered by this Addendum, or as otherwise requested or required by any governmental agency, the net cost actually paid by Member and/or each Facility.

F. At the conclusion of each calendar quarter during the Addendum Term, Distributor will review Member’s purchases of Products, SOURCE Qualified Purchases of Products, and Member’s Utilization Percentage for the previous calendar quarter. Distributor will make the appropriate prospective adjustment to the Addendum Member Markup for such Member, effective on the first day of the second month following each calendar quarter (May 1, August 1, November 1, February 1).

G. EFT Payment. Member shall utilize EFT as the routine method for remitting amounts due to Distributor. If this condition is not met, Distributor shall INCREASE the Addendum Member Markup by +0.05% (five basis points) for Member.

H. CSOS. Members shall remit orders for Schedule II Products using Distributor's electronic controlled substance ordering system (CSOS). If this condition is not met, Distributor shall INCREASE the Addendum Member Markup by +0.05% (five basis points) for Member.