

BEHAVIORAL PHARMACY MANAGEMENT SERVICES
AGREEMENT

This Behavioral Pharmacy Management Services Agreement ("Agreement") is entered into as of _____, 2004 (the "Effective Date"), by and between COMPREHENSIVE NEUROSCIENCE, INC., a Delaware Corporation, having an address at 21 Bloomingdale Road, White Plains, New York 10605 ("CNS"), and Michigan Department of Community Health, a government entity, having an address at 320 S. Walnut, Lansing, MI 48913 ("Client").

1. Client is engaged in the business of providing and administering Medicaid behavioral health services and maintains a database containing information on pharmacy utilization by physicians that participate in Medicaid behavioral health services; and

2. CNS operates a behavioral prescription review system that analyzes client-provided pharmacy claims data for the purpose of enhancing the quality of its clients' behavioral health services and profiling physicians to perform targeted, educational intervention; and

3. Client desires to obtain the services of CNS provided under the above-described system; and

Agreement

In consideration of the foregoing premises and the mutual agreements and covenants contained herein, the parties hereto agree as follows:

1. **LICENSE.**

Client hereby acknowledges CNS's proprietary right for the exclusive use of the BPMS (patent pending) product during the term of this Agreement consistent with the Health Insurance Portability and Accountability Act (HIPAA) to use, copy, aggregate, compile, format, edit, model, summarize, repackage, analyze, distribute and create derivative works of the pharmacy benefits management data (the "Pharmacy Data") that it has collected in its pharmacy database, with full rights to sublicense the foregoing rights, for the purposes of allowing and facilitating

CNS to provide the behavioral prescription review services described in this Agreement (the "Services").

2. OBLIGATIONS OF CNS.

2.1 CNS shall reformat the Pharmacy Data provided by Client in the process of performing the Services.

2.2 CNS shall analyze the Pharmacy Data against quality categories (the "Quality Indicators") in order to provide the following deliverables to Client:

(a) In the event of a Quality finding based upon the foregoing Quality Indicator analysis (a "Quality Finding"), CNS may generate a letter to each participating physician in the Plans describing the nature of the finding (a "Quality Letter") and a request that each such physician review each applicable Quality Letter and determine if any remedial action is needed. Each Quality Letter shall be subject to the prior approval of Client. CNS will mail the Quality Letters on letterhead agreed to by the client to participating physicians.

(b) In the event of certain Quality Findings, CNS may, in addition to mailing a Quality Letter, make direct contact with the subject physician's office for the purpose of alerting the physician of the existence of a potential problem.

2.3 The Quality Indicators and the Quality Letters shall be subject to modification or change based upon the written approval of the parties. The initial Quality Indicators may include: (a) therapeutic duplications of atypical antipsychotic medication, (b) excess dosing, (c) inadequate dosing, (d) the use of two or more drugs from the same chemical class, (e) no timely refill (discontinuance), (f) patient with two or more prescribing physicians, and (g) the use of sedative/hypnotics for greater than 60 days. The parties shall agree upon the final Indicators.

2.4 CNS shall analyze the Pharmacy Data for the purpose of profiling physicians, in order to perform targeted, education interventions. CNS shall produce profiling reports ("Profiling Reports") that combine Quality Indicators with data on high cost physicians, high cost patients and high cost products to inform Client of the potential existence of questionable practice patterns ("Quality Events"). The Profiling Reports will include:

(a) A Cost report on above average pharmacy expenditures by outlier physicians and patients.

(b) A monthly drug utilization profile for outlier physicians by patient, and by drug

(c) A high cost patients profile by physician.

2.5 Based upon data described in Sections 2.2 and 2.4, above, CNS shall design and implement a targeted, education intervention program consisting of the following components:

(a) Repeat Quality Events shall trigger a prescriber-to-prescriber consultation by CNS and a written notice to Client of any such consultation. The threshold number of Quality Events within each Quality Indicator category that will trigger a prescriber-to-prescriber consultation by CNS shall be mutually agreed upon by the parties.

(b) Quality Events and/or profile data shall trigger special educational mailings to participating physicians that are consistent with the issues of concern raised by the applicable Quality Event and/or practice-profile data.

(c) Quarterly monitoring reports shall be created to track the practice patterns of outlier physicians. Normative reports shall be sent to each outlier prescriber physician describing his or her practices.

(d) Client shall be provided with quarterly reports describing trends in practices and costs by outlier physicians that are the subjects of the CNS targeted, educational intervention.

3. **OBLIGATIONS OF CLIENT.**

3.1 The Pharmacy Data shall include all information on behavioral pharmacy prescriptions. The Pharmacy Data shall be electronically transmitted monthly in a HIPAA compliant manner, to CNS in a manner and format to be mutually agreed upon by the parties in order to enable and facilitate CNS' performance of the Services.

- 3.2 Client shall provide a means of identifying active members of its health plan.
- 3.3 Client shall provide identifiers and contact information for its physicians.
- 3.4 Client shall provide a list of physicians with mailing addresses and office phone numbers in a format that can be cross-walked to the physician identifier in the Pharmacy Data.
- 3.5 Client shall provide a list of Client officials to receive notices from CNS.
- 3.6 Client shall notify CNS of substantive changes to the benefits and membership.
- 3.7 In the event that difficulties arise in obtaining information about the identities and addresses of prescribers, CNS and Client will develop a plan acceptable to both parties for creating a reliable method for contacting prescribers.

4. **SITE OF SERVICES AND REGULATORY REQUIREMENTS.**

4.1 The Services provided by CNS hereunder shall be performed at CNS's facilities located at 1 Copley Parkway, North Carolina or at such other facility as CNS may choose.

4.2 The Parties acknowledge that they are Business Associates, as defined by the Health Insurance Portability and Accountability Act ("HIPAA"). Each party hereby agrees to sign the Business Associate Agreement attached hereto as Exhibit A and incorporated herein by this reference.

5. **REPRESENTATIONS AND WARRANTIES.**

5.1 Client represents and warrants that the provision of the Pharmacy Data and any other information that Client may provide to CNS hereunder does not violate any applicable local, state, federal or international law or regulation or any contract of any nature to which it is a party.

5.2 CNS represents and warrants that the provision of Services that CNS will provide to Client hereunder does not violate any applicable local, state, federal or international law or regulation or any contract of any nature to which it is a party.

6. INDEMNITY AND INSURANCE.

6.1 CNS shall indemnify, defend and hold Client harmless from and against all costs, expenses, liabilities and damages, including, without limitation reasonable attorneys' fees, based upon any third party claim arising out of (i) a breach of any applicable law by CNS in the course of providing the Services to Client under this Agreement, excluding any claims based, in whole or in part, upon the use of the Pharmacy Data, (ii) a breach of any of CNS' representations or warranties hereunder, and/or (iii) the performance or failure to perform under this Agreement, provided that (i) Client gives prompt written notice of any such claim to CNS, and (ii) CNS is given full control over the defense of such claim and receives the cooperation of Client, at CNS' expense, in the defense thereof. Notwithstanding the foregoing, Client shall have the right to participate in the defense of any such claim at its own expense with counsel of its own choice. CNS' obligation under this section shall survive any termination of this Agreement. CNS shall not have the right to settle any claims against Client without Client' advance written consent, which consent shall not be unreasonably withheld or delayed. CNS's obligation under this section shall survive any termination of this Agreement.

7. OWNERSHIP OF THE PHARMACY DATA AND DATA PRODUCTS; CNS LICENSE GRANTS; RESERVATION OF RIGHTS.

CNS acknowledges that Client is the exclusive owner of all right, title and interest in the Pharmacy Data. CNS shall own all data products, output, derivative works and analytical results produced in the process of rendering the Services (collectively, the "Data Products"). Client agrees and acknowledges that CNS owns all right, title and interest in and to the description of technology and patent pending to be provided utilized by CNS in performing the Services, and CNS (hereby expressly) reserves all right, title and interest in and to the technology.

8. DEFAULT.

8.1 Either party hereto (hereinafter the "Defaulting Party") shall be in default upon the occurrence of any one of the following events: (i) failure to perform any term, condition or covenant of this Agreement which failure continues for a period of thirty (30) days after receipt of written notice thereof; (ii) if the Defaulting Party ceases the conduct of active business; (iii) if

any proceedings under the Federal Bankruptcy Act or other insolvency laws shall be instituted against the Defaulting Party or if a receiver shall be appointed for the Defaulting Party or any of its assets or properties; or (iv) if the Defaulting Party shall make an assignment for the benefit of creditors.

8.2 Upon any default, the party which is not in default may terminate this Agreement. Any termination of this Agreement shall be without prejudice to any other rights or remedies which the nondefaulting party may have against the Defaulting Party with respect to such default, except as limited herein.

8.3 No remedy referred to in this Section is intended to be exclusive, but shall be cumulative and in addition to any other remedy referred to herein or otherwise available to the nondefaulting part at law or in equity, except as limited herein.

9. **USE OF TRADEMARKS AND LOGOS.**

9.1 Neither party shall use in any advertising, sales promotion, letterhead, publicity or other public or media communications, any trade name, trademark, service mark, logo or similar other identification or abbreviation, contraction or simulation thereof owned by the other party without the consent of the other party.

9.2 Neither party shall advertise or in any way publicly announce through any media that it has entered into this Agreement without the consent of the other party, which consent shall not be unreasonably withheld.

9.3 Each party shall have the right to review any and all materials bearing such party's trade name, trademark, service mark, logo or similar other identification or abbreviation, contraction or simulation thereof for the purposes of exercising its right of quality control over such items.

10. **EXCUSABLE DELAY.**

Neither party hereunder shall be liable to the other for any delay in the time for performance of its obligations under this Agreement, excluding payment obligations, if such delay arises out of circumstances beyond its reasonable control, including, but not limited to

With a copy to: Erika Pulley-Hayes
Comprehensive NeuroScience, Inc.
6066 Leesburg Pike, Sixth Floor
Falls Church, VA 22041

12. RELATIONSHIP OF THE PARTIES.

The parties hereto agree that the relationship of the parties created by this Agreement is that of independent contractor and not that of employer/employee, principal/agent, partnership, joint venture or representative of the other. Neither party shall represent to third parties that it is the employer, employee, principal, agent, joint venture or partner with, or representative of the other party.

13. NONDISCLOSURE.

13.1 Each party agrees that it will use the same degree of care and discretion to avoid disclosure or dissemination of the other party's Confidential Information to anyone other than those employees with a need to know for purposes of this Agreement as it uses with information it does not wish to have published, disclosed or disseminated. In addition to the obligations set forth in the Non-Disclosure Agreement already executed by the parties dated _____ (the "NDA"), CNS agrees that it shall not disclose any Pharmacy Data to third parties in any manner that is personally identifiable to any individual patient. Neither party will use the other's Confidential Information without the prior written consent of the other party. For purposes of this Agreement, the term "Confidential Information" shall mean, without limitation: (i) any information relating to either party's product plans, specification, designs, development, costs or trademarks, or relating to its finances, marketing plans, business opportunities, personnel, research or know-how; (ii) any information designated by the disclosing party as confidential; or (iii) the Pharmacy Data provided to CNS.

13.2 The parties agree that they have no obligation to keep confidential any information that: (i) is or becomes generally known or available by publication, commercial use or otherwise through no fault of the receiving party; (ii) is known and has been reduced to tangible form by the receiving party prior to the time of disclosure and is not subject to

restriction; (iii) is independently developed by the receiving party; (iv) is lawfully obtained from a third party who has the right to make such disclosure; or (v) is released for publication by the disclosing party in writing.

14. **TERM.**

The term of this Agreement shall be for an initial term of two (2) year(s), commencing on the Effective Date, after which the Agreement shall be automatically renewable for additional one (1) year periods ("Renewal Terms"). Notwithstanding the foregoing, either party may choose to terminate this Agreement at the conclusion of the then-current Renewal Term by providing the other party with written notice of its intent not to renew at least three (3) months prior to the expiration of the then-current Renewal Term.

15. **MISCELLANEOUS PROVISIONS.**

15.1 Section headings are for convenience only and will not be construed as part of this Agreement. This Agreement shall be construed and interpreted according to its fair meaning and without regard to any presumption or other rule requiring construction against the party drafting or causing this Agreement to be drafted.

15.2 This Agreement shall be governed by the laws of the State of Michigan, excluding its conflict of laws principles.

15.3

15.4 Neither party shall assign this Agreement directly or indirectly by operation of law without the advance written consent of the other; provided, however, that either party may assign this agreement to a successor in interest upon the occurrence of a merger, acquisition, reorganization, change of control or sale of all or substantially all of the assets of the assigning party. The terms, conditions and obligations of this Agreement shall inure to the benefit of and be binding upon the parties hereto and the respective permitted successors and permitted assigns thereof. Any assignment in violation of this Section 18.2 shall be null and void ab initio.

15.5 This Agreement together with the Exhibits hereto and the NDA, which are fully incorporated herein, contains the complete and exclusive agreement between the parties relating

to the subject matter herein. This Agreement supersedes, and the terms of this Agreement govern, any prior or contemporaneous agreements, understandings, representations, communications or proposals, oral or written, between the parties relating to the subject matter of this Agreement, all of which are merged herein. No statements in writing subsequent to the date of this Agreement purporting to modify or add to the items and conditions hereof shall be binding unless consented to in writing by duly authorized representatives of Client and CNS in a document making specific reference to this Agreement. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15.6 No waiver of any breach of any provision of this Agreement shall constitute a waiver of a prior, concurrent or subsequent breach of the same or any other provisions hereof and no waiver shall be effective unless made in writing and signed by an authorized representative. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision has never been contained herein.

15.7 The parties agree that they shall comply with all applicable state and federal laws in their performance under this Agreement.

15.8 This Agreement shall not be modified or amended except by a written agreement signed by Client and CNS. Notwithstanding the foregoing, any state or federal law or regulation that is applicable to the performance of this Agreement but not otherwise contemplated herein shall automatically apply to this Agreement on the effective date thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

MICHIGAN DEPARTMENT OF
COMMUNITY HEALTH

COMPREHENSIVE NEUROSCIENCE, INC.

By: *Michael J. Ezzo*
Print Name: Michael J. Ezzo
Title: Chief Deputy Director
Date: 9-21-04

By: *Richard C. Surles*
Print Name: Richard C. Surles, Ph.D.
Title: Senior Vice President
Date: 9-07-04