

RETAIL MEDICARE REBATE PROGRAM TERMS AND CONDITIONS

If you (“Retailer”) would like to purchase Abbott Diabetes Care Sales Corporation (“ADC”) products specified in paragraph 16 herein (the “Products” or “Medicare Products”) for dispensing to patients with fee-for-service coverage for such products under Medicare Part B (“Medicare Recipients” or “Customers”) from an ADC approved wholesaler (“Approved Wholesalers” or “Wholesaler”) pursuant to the Retail Medicare Rebate Program (“Medicare Program”), please carefully read these Terms and Conditions (this “Agreement”).

By clicking the “Submit” button, you (“Retailer”) are agreeing to the following Terms and Conditions of the ADC Medicare Rebate Program and certifying that you are authorized to agree to these terms on behalf of Retailer.

RETAIL MEDICARE PROGRAM: : In order to be eligible for rebates, Retailer must (i) acquire their ADC Products only from their Approved Wholesaler(s) at ADC’s List price (any Wholesaler mark-up is not covered under this Program), (ii) dispense ADC Products to a Medicare Recipient under Medicare Part B, (iii) submit utilization data to your adjudicator “Approved Adjudicator”, which will be processed and forwarded to ADC, (iv) and meet all other obligations and contract conditions hereunder. Upon completion of (i)-(iv), a rebate as set forth in Section 16 table below will be mailed to the Retailer within sixty (60) days after the date that the Adjudicators (identified herein below in Section 4) complete their data processing.

1. Retailer must be an authorized supplier of blood glucose monitoring products under Medicare Part B, and upon request will provide proof of such authorization to ADC. This Program is not for claims processed under Medicare Part D.
2. Retailer must accept assignment of Medicare Part B benefits from Retailer’s customers and the authorized reimbursement rate from Medicare Part B. Retailer must maintain good standing with Medicare Part B and properly maintain Provider Supplier Numbers, and upon request will provide proof of such good standing to ADC.
3. Retailer must only resell or dispense the Products directly to your Medicare Recipients that reside in the United States or the District of Columbia for their own use. US Territories are not covered by this Agreement. You must not repackage or re-label the Products, and you shall sell Products to your Customers only as a part of an unopened package (rebates will NOT be processed for partial boxes).
4. Approved Adjudicators. Retailer must use one of the following “Approved Adjudicators” to process Medicare Part B claims for Products: (a) Emdeon (eRx Network/Allwin), (b) Omnisys, or (c) Freedom Data Services (EZ-DME). Retailer hereby authorizes an Approved Adjudicator to release the following information to ADC devoid of any individually identifiable health information: (i) monthly total dispensed quantities of Product to Medicare Recipients; (ii) NABP/NCPDP numbers; and (iii) DEA numbers.
5. If it is determined that Medicare Part B claims are not being adjudicated based upon monthly data from the Approved Adjudicator and purchases from the Wholesaler, Retailer will not be eligible for rebates from ADC under this Program.
6. The Product’s limited warranty is set forth in the Product labeling, inserts or user manuals.
7. In the event Retailer receives written notice from ADC or an Approved Wholesaler of a recall of any Product, and ADC, either directly or indirectly, provides guidance as to the necessary actions required to be taken, Retailer agrees to cooperate with ADC and use commercially reasonable efforts to follow the guidance provided by ADC, including, if necessary, ensuring that people who received recalled Products are notified of the recall.
8. Patient confidentiality is important. Retailer must comply with all applicable laws, rules and regulations, including but not limited to, the Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations promulgated thereunder (“HIPAA”), and the Social Security Act of 1935, as amended, and the regulations promulgated thereunder (the “Social Security Act”). Retailer shall implement appropriate safeguards to prevent the use or disclosure of a customer’s protected health information (as defined under HIPAA) and any individually identifiable health information (as defined under the Social Security Act), other than as permitted by HIPAA and the Social Security Act.
9. The Products will not be eligible for any other rebates or promotions sponsored by ADC, and no other ADC products will be subject to rebates under this Program.
10. Retailer cannot return Products to ADC. Retailer must contact its Wholesaler for further information.
11. Retailer shall maintain an adequate inventory record system that can trace the ultimate disposition of each Product to a customer for a period of three (3) years from the end of the calendar year during which such Product was purchased by such customer. Retailer will assign a unique Patient Identification Number (“PIN”), such as the Rx number for each of its customers that purchases a Product. Retailer will ensure that in the event of a recall or an audit of books and records by ADC, such PIN will enable ADC or its designated auditors to verify the information provided to ADC.
12. **LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT REQUIRED BY LAW, NEITHER PARTY WILL BE LIABLE FOR ANY LOST PROFITS, LOST SAVINGS OR OTHER SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EVEN IF SUCH PARTY HAS BEEN ADVISED OF OR COULD HAVE FORESEEN THE POSSIBILITY OF SUCH DAMAGES.**

THE AGGREGATE LIABILITY OF THE PARTIES UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LIABILITY FOR DAMAGES RESULTING FROM NEGLIGENCE AND/OR INTENTIONAL, WILLFUL MISCONDUCT, WILL NOT EXCEED THE TOTAL REBATES HEREUNDER.

13. Disclosure Requirements. This Program is intended to provide a discount or other reduction in price with respect to the Products. Any discounts, rebates or other price reductions (collectively referred to herein as “discounts”) issued by ADC, either directly or indirectly, to Retailer are intended to reflect discounts or other reductions in price within the meaning of 42 U.S.C. Section 1320a-7b (b) (3) (A) and may reflect a bundled discount pricing arrangement. With regard to any bundled discount pricing arrangement, upon Retailer’s request, ADC shall timely provide Retailer (either herein or by separate statement) further detail pertaining to such discounts and the allocation of total net purchase dollars for equipment, service and products, as applicable. Retailer may have an obligation to report such discounts (as appropriately allocated among equipment, service and products, if part of a bundled discount pricing arrangement) to any State or Federal program that provides reimbursement to Retailer for the items to which the discount applies, and, if so, Retailer must fully and accurately report such discounts. Further, Retailer should retain invoices and other price documentation and make them available to Federal or State officials upon request.

14. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois, excluding its conflict of laws principles.

15. ADC may modify or discontinue the Program at any time without notice in its sole discretion. ADC may terminate Retailer’s participation in the Program at ADC’s sole discretion. The terms and conditions of this Agreement and the Program are non-negotiable.

16. Medicare Part B Rebate Amount

ADC PRODUCT ORDER #	PRODUCT DESCRIPTION (Retail Packaging)	NDC#	REBATE AMOUNT*
12050	FreeStyle Test Strips 50ct.	99073-0120-50	\$ 64.58
12101	FreeStyle Test Strips 100ct.	99073-0121-01	\$124.23
70822	FreeStyle Lite Test Strips 50ct.	99073-0708-22	\$ 64.58
70827	FreeStyle Lite Test Strips 100ct.	99073-0708-27	\$124.23
99728	Precision Xtra Test Strips 50ct.	57599-9728-04	\$ 64.58
99877	Precision Xtra Test Strips 100ct.	57599-9877-05	\$124.23
71231	FreeStyle InsuLinx Test Strips 50ct.	99073-0712-31	\$ 65.83
71227	FreeStyle InsuLinx Test Strips 100 ct.	99073-0712-27	\$131.66

* Rebates will be processed only for unopened boxes in either a 50-count or 100-count size. This means rebates will NOT be processed for partial boxes.