



DIABETIC SUPPLY OFFER SUBMISSION FAQ

HOW MANY STATES ARE MEMBERS OF THE SSDC POOL?

As of April 2011, there are currently seven states participating in the pool. These States are Iowa, Maine, Oregon, Utah, Vermont, West Virginia and Wyoming. That number may change as the Sovereign States Drug Consortium encourages the participation of new state.

IS THERE ONE BIDDING PROCESS FOR ALL THE STATES?

Yes. Only one offer spreadsheet needs to be submitted. Manufacturer offers are extended to all SSDC states that are interested at the onset or any time in the rebate calendar year.

WHAT HAPPENS IF A STATE JOINS DURING NEGOTIATIONS OR DURING THE REBATE CALENDAR YEAR?

GHS will notify all manufacturers with current submitted offers that a new state has joined and all current offers will be extended to that state.

HOW ARE STATE SPECIFIC TERMS HANDLED DURING THIS PROCESS?

During bid negotiations and prior to contracting, GHS will discuss any state specific terms with the manufacturer.

WHO DO I CONTACT IF I HAVE QUESTIONS ON OFFER SUBMISSIONS OR THE PROCESS?

Please contact GHS via email at rxoffers@ghsinc.com. Please allow two business days for a response.

ARE FORMULAS OTHER THAN THE TWO LISTED ON THE OFFER SPREADSHEET ALLOWED?

- Only two formulas will be accepted: **Formula 1: Percentage of WAC.**
 - $WAC * \% \text{ of WAC} = \text{State Special Rebate Amount per unit}$
- **Formula 2: Guaranteed Net Price.**
 - $WAC - \text{Guaranteed Net Price} = \text{State Special Rebate Amount per unit}$

Manufacturers may use either or both formulas for their bids. However, only one formula per product type can be used. For example, all test strip NDCs must use the same formula, and all meter NDCs must use the same formula, but the test strip NDCs may use a different formula than the meter NDCs if desired.

WHAT DO THE TIER COLUMNS REFERENCE ON THE OFFER SPREADSHEET?

The Tiers are the equivalent of Preferred Brand Levels. Offers should be made assuming that a state would manage products as follows:

- Tier Level 1: One exclusive product.
- Tier Level 2: Two co-preferred products.
- Tier Level 3: Three co-preferred products.
- Tier Level 4: Four or more preferred products.



HOW DO I FILL OUT THE OFFER FORM?

- Product Description: List the description of your product along with the package size.
- AWP and WAC columns: List the AWP or WAC per unit.

Important: For test strips and lancets, divide the box AWP and WAC by the number of individual units in the box. This is because States process these products through their POS at the unit rates.

- % WAC or GNP Offer Rate: List the offer percent (as a decimal) or the GNP being offered for that tier.
- Calculated Offer Unit Amount: Calculate the unit amount using the formula chosen for the offer submission.
 - Example: If you submitted a five percent of WAC offer you would calculate the amount using the following formula: WAC (Q1 2011 last day rate) * .05 = calculated offer unit amount.
- Offer Comments: This field should be used to convey offer details, such as:
 - Meter procurement methods available.
 - If your company needs additional documents in order to set up procurement methods (call centers/ websites).
 - Any offer enhancements or restrictions that States will need to consider when evaluating the offer.

Important: No additional contingencies can be added once the negotiations are completed. Be sure to note any restrictions related to your bid in the Offer Comment Field.

A filled in example of the offer form is located at the back of this document.

WHAT ARE THE SPECIAL REBATE OFFER CONTINGENCIES?

The SSDC guarantees that any and all Offers submitted will be treated accordingly:

1. SSDC Member State populations will be limited to Medicaid.
2. Except as otherwise may be required to be disclosed by law or judicial process, offers will be held confidential, whether accepted or not.
3. Offers accepted by SSDC States as of the close of negotiations are binding between the Offerer and an SSDC State once approved by said State's drug review committee and/or said State's Medicaid Director or other designee.
4. Offers that are received from Manufacturers that are currently not in good standing due to either nonpayment or substantial underpayment of rebates (basic/CMS or special) shall not be considered. An underpayment of rebates is substantial if it exceeds the lower of either:
 - a. Ten (10%) percent of any quarter's basic/CMS, supplemental, or special rebates invoiced amount by any SSDC State or
 - b. Fifty thousand (\$50,000.00) dollars in aggregate as to any SSDC State at the time that the offer was due.
5. Nonpayment of rebates means the failure to pay any rebates to an SSDC State for the calendar year in which the offer was due.
6. All offers are made with the understanding that the individual terms and conditions of the SSDC Member States' Diabetic Special Rebate Agreements apply.
7. The unit rebate amount is confidential and will only be disclosed in accordance with the contract terms.



WHAT AM I AGREEING TO BY SUBMITTING A SPECIAL REBATE OFFER?

By submitting this offer, you confirm that, regarding your offer:

1. You have reviewed the values in all data cells for accuracy.
2. You affirm and certify the accuracy of the values displayed.
3. You are authorized to make all offers presented in the submission.
4. You agree that all offers are made with the understanding that the individual terms and conditions of the SSDC member states Diabetic Special Rebate Agreements (DSRAs) apply.
5. You agree that any agreement with a SSDC Pool State shall be governed by the law of said State and that any legal action may only be brought and maintained in the courts of said State as identified here:
 - Iowa- Polk County District Court for the State of Iowa, Des Moines, Iowa, or in the United States District Court for the Southern District of Iowa, Central Division, Des Moines, Iowa, wherever jurisdiction is appropriate.
 - Maine- Maine Superior Court, Kennebec County, Maine.
 - Oregon – Oregon Circuit Court of Marion County for the State of Oregon.
 - Utah- Third District Court, Salt Lake County, Utah.
 - Vermont- Vermont Superior Court, Washington County, Vermont.
 - Wyoming- Wyoming District Court for the First Judicial District, Laramie County, Wyoming.
 - West Virginia- Circuit Court of Kanawha County, Charleston, West Virginia or United States District Court for the Southern District of West Virginia, Charleston, West Virginia.
6. You agree that an agreement with a State shall be reduced to writing with said State consistent with the contract terms that have been published by said State.
7. You agree to keep the unit rebate amount confidential in accordance with the contract terms.

HOW WILL I KNOW IF MY OFFER WAS ACCEPTED?

GHS will send out an official notification to all manufacturers that submitted an offer, telling them if their offer was accepted or rejected.



Only one formula can be used for each category; for example, you may select Formula 1 for Meters and Formula 2 for Test Strips, but you may not use Formula 1 for half of your test strip NDCs and Formula 2 for the other half.

You can bid for one tier, all tiers or any combination of tiers.

Enter comments relevant to your bid here, such as procurement of free meters or any conditions

Bidder Name		Ms. Example													
Bidder Phone No.		111-111-1111													
Bidder Email		example@example.com													
		SSDC DME Special Rebate													
Manufacturer Name	NDC/HRI	Product Description	AWP (1Q2010)	WAC (1Q2010)	FORMULA (1 or 2)	Tier One		Tier Two		Tier Three		Tier Four		Offer Comment	
						%WAC or GNP Offer Rate	Calculated Offer unit amount	%WAC or GNP Offer Rate	Calculated Offer unit amount	%WAC or GNP Offer Rate	Calculated Offer unit amount	%WAC or GNP Offer Rate	Calculated Offer unit amount		
EG DIABETICSUPPLIES	11111111111	Test Strips (pack of 50)	0.4	\$0.32	1	0.50	\$0.16							Free meter available with acceptance of bid	
EG DIABETICSUPPLIES	11111111222	Meters	26	\$23.50	1	1.00	\$23.50							Procurement of meters through website, toll free line and POS transactions.	
EG DIABETICSUPPLIES	11111133333	Glucose Solution	4	\$3.25	1	0.10	\$0.33								
EG DIABETICSUPPLIES	11111144444	Lancets (box of 50)	0.5	\$0.40	1	0.40	\$0.16								
EG DIABETICSUPPLIES	11111144443	Lancets (box of 25)	0.52	\$0.41	1	0.40	\$0.16								

Please enter an 11 digit code for each NDC/HRI

Important: AWP and WAC should be **per unit**. For strips and lancets, divide the AWP and WAC per box by the number of units in the box to get the per unit figure.

% of WAC figures should be entered as decimals; for example, 50% would be 0.50 and 100% (or Free)

Please enter the appropriate formula for your offer to calculate the offer unit amount
 Formula 1: **WAC * %** of WAC = Offer Unit Amount
 Formula 2: WAC – GNP = Offer Unit Amount



**Sovereign
States
Drug
Consortium**

*Iowa
Maine
Oregon
Utah
Vermont
West Virginia
Wyoming*

May 15, 2011

Dear Diabetic Supply Manufacturer:

The purpose of this letter is to inform you that the Member States of the Sovereign States Drug Consortium (SSDC) are opening solicitations and negotiations for their multi-state rebate pool for Diabetic Supply Special Rebates for Calendar Year 2012.

The current Member States of the SSDC are Iowa, Maine, Oregon, Utah, Vermont, West Virginia, and Wyoming.

A general overview of the bidding timeline is as follows:

Event	Date
Manufacturers can begin making offers	June 1, 2011- July 31, 2011
States Review Offers	On or about August 15th
Notification to manufacturers of each SSDC State final decision	On or about September 15, 2011

Please fill out the official SSDC Diabetic Supply Offer spreadsheet in order to submit a bid for 2012. This spreadsheet can be found on our webpage located at the following URL: <http://www.rxssdc.org/>

Please take the time to read the Diabetic Supply Offer Submission FAQ document before submitting an offer. This is also available from the webpage listed above under the Diabetic Special Rebate Information link.

Important notes on Offer Submissions:

- The AWP and WAC rates submitted need to reflect 2011 Quarter One (1/1/2011 – 3/31/2011) rates.
 - Spreadsheets that have rates listed other than 2011 Q1 will be returned for rate update.
- All offer submission rates and offers need to be submitted per unit
 - Example: A box of 100 strips that has an AWP/WAC rate listed per box needs to be divided by 100 to get to the individual strip unit price.
- Incomplete spreadsheets will be returned and will not be presented for state review unless a completed spreadsheet is resubmitted before the deadline.
- If WAC rates are not published you **MUST** include the AWP calculation used to calculate the WAC rate used for the bid submission.

- This information should be added under the comment section upon submission.

Please send any clarification requests and all completed offer spreadsheets to: rxoffers@ghsinc.com.

If GHS receives multiple offer submissions by the manufacturer for the same HRI/NDC'S for the same bid session, earlier submissions will be replaced with the newest completed offer spreadsheet and that version will be presented to SSDC Pool states.

The SSDC Member States has established a deadline of **July 31st, 2011** for the submission of initial Diabetic Supply Special Rebate Offers. Offers received after that date will not be considered.

The SSDC will meet to review the offers together and indicate their choices. Valid offers will receive notices no later than September 15, 2011.

Note, submitting a Diabetic Supply Rebate Offer does not guarantee that a product will be placed on a PDL, and the lack of a Diabetic Supply Rebate Offer does not necessarily mean that a product will not be placed on a PDL. SSDC states that currently have multi-year year diabetic supply rebate contracts may choose not to review the offers received in this process.

Any questions regarding the details of this process or requests for assistance may be directed to rxoffers@ghsinc.com.

Sovereign States Drug Consortium
Iowa, Maine, Oregon, Utah, Vermont, West Virginia & Wyoming