



DIABETIC SUPPLY OFFER SUBMISSION FAQ

HOW MANY STATES ARE MEMBERS OF THE SSDC POOL?

As of April 2010, there are currently seven states participating in the pool. These States are Iowa, Maine, Oregon, Utah, Vermont, West Virginia and Wyoming. This number can change if a State joins mid session.

WHAT HAPPENS IF A STATE JOINS MID SESSION?

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

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.

FORMULAS

- **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 are able to 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.

TIERS

Preferred Brand Levels, referred to as Tiers in this offer spreadsheet, represent how the State will use an offer in a given tier. A description of each Tier level is provided below.

- Level 1: One exclusive product.
- Level 2: Two co-preferred products.
- Level 3: Three co-preferred products.
- 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 (for test strips and lancets, divide the box AWP and WAC by the number of units in the box). This is because States process these products through their POS at the unit rates.



Important: For test strips and lancets, divide the per 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: $WAC(Q1\ 2010\ last\ day\ rate) * .05 =$ 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.

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.

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 Pool States as of the close of negotiations are binding between the Offerer and an SSDC Pool State once approved by said State's Drug Committee and/or said State's Medicaid Director.
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 or special rebates invoiced amount by any SSDC Pool State or
 - b. Fifty thousand (\$50,000.00) dollars in aggregate as to any SSDC Pool State at the time that the offer was due.
5. Nonpayment of rebates means the failure to pay any rebates to an SSDC Pool 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.



**Sovereign
States
Drug
Consortium**



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

Confirm Offer

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

1. I have reviewed the values in all data cells for accuracy.
2. I affirm and certify the accuracy of the values displayed.
3. I am authorized to make all offers presented in this submission.
4. I agree that all offers are made with the understanding that the individual terms and conditions of the SSDC member states Diabetic Special Rebate Agreements (SRAs) apply.
5. I 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. I 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. I agree to keep the unit rebate amount confidential in accordance with the contract terms.



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

														Tier One		Tier Two		Tier Three		Tier Four			
Manufacturer Name	NDC/HRI	Product Description	AWP (1Q2010)	WAC (1Q2010)	FORMULA (1 or 2)	%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	Offer Comment									
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 though 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: $WAC \times \% \text{ of WAC} = \text{Offer Unit Amount}$
 Formula 2: $WAC - GNP = \text{Offer Unit Amount}$