State of Mississippi Division of Medicaid

MISSISSIPPI MEDICAID SUPPLEMENTAL DRUG REBATE AGREEMENT

This Agreement is entered into by the following parties on the date last signed below:

<table>
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<tr>
<th>Pharmaceutical Manufacturer (“Manufacturer”)</th>
<th>State of Mississippi Division of Medicaid (“DOM”)</th>
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<tbody>
<tr>
<td>Manufacturer Name</td>
<td>State of Mississippi Division of Medicaid</td>
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<td>Labeler Codes:</td>
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<tr>
<td>Manufacturer Primary Billing Address:</td>
<td>DOM Primary Billing Address:</td>
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<tr>
<td>Manufacturer Primary Contact Person:</td>
<td>DOM Primary Contact Person:</td>
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<td>Manufacturer Primary Contact Telephone:</td>
<td>DOM Primary Contact Telephone:</td>
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<tr>
<td>Manufacturer Primary Contact e-mail:</td>
<td>DOM Primary Contact e-mail:</td>
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<tr>
<td>Address for Notices required by Agreement (“Manufacturer Notice Address”):</td>
<td>Address for Notices required by Agreement (“DOM Notice Address”):</td>
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<tr>
<th>Termination Date: (“Termination Date”)</th>
<th>Effective Date (“Effective Date”)</th>
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In consideration of the mutual covenants in this Agreement, including the General Supplemental Rebate Terms, Attachment A to this Agreement, and Attachment B to this Agreement, and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into this Agreement and have caused their duly authorized representatives to execute this Agreement below.

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<th>Manufacturer, by:</th>
<th>DOM, by:</th>
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<td>Signature:</td>
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General Supplemental Rebate Terms

1. PURPOSE
The DOM and the Manufacturer have entered into this Agreement for the purpose of establishing a Supplemental Rebate for the Medicaid population, which will be in addition to rebates received under the CMS Rebate Agreement received pursuant to 42 U.S.C. § 1396r-8 for the Manufacturer’s Covered Product(s) quarterly utilization, including fee-for-services and coordinated care claims, in the Mississippi Medicaid Program. The parties also intend for this Agreement to meet the requirements of federal law at 42 U.S.C. § 1396r-8.

2. DEFINITIONS
2.1 AMP shall mean the Average Manufacturer Price as set forth in 42 U.S.C. § 1396r-8; as such statute may be amended from time to time.

2.2 Best Price shall mean Best Price as set forth in 42 U.S.C. § 1396r-8; as such statute may be amended from time to time.

2.3 CMS Agreement means the Manufacturer’s drug rebate contract with the Centers for Medicare and Medicaid Services (CMS) entered pursuant to 42 U.S.C. § 1396r-8.

2.4 CMS Basic Rebate means, with respect to the Covered Product(s), the quarterly payment by the Manufacturer pursuant to the Manufacturer’s CMS Agreement, made in accordance with 42 U.S.C. § 1396r-8(c)(1) and 42 U.S.C. § 1396r-8(c)(3).

2.5 CMS CPI Rebate means, with respect to the Covered Product(s), the quarterly payment by the Manufacturer pursuant to the Manufacturer’s CMS Agreement, made in accordance with 42 U.S.C. § 1396r-8(c)(2).

2.6 Covered Product(s) means any prescription drug product listed in Attachment A.

2.7 Guaranteed Net Price shall mean the final fixed price of the drug assured by the Manufacturer to the State. It shall be calculated as the WAC minus the National Rebate and minus the State Supplemental Rebate necessary to equal the guaranteed net price to the State by the Manufacturer for the Covered Product for the Quarter.

2.8 Medicaid Utilization Information means the information on the total number of units of each dosage form and strength of the Manufacturer’s Covered Products reimbursed during a Quarter under a Medicaid State Plan. This information is based on claims paid by the DOM and/or coordinated care vendors during a Quarter and not drugs that were dispensed during a Quarter (except it shall not include drugs dispensed prior to January 1, 1991). The Medicaid Utilization Information to be supplied includes: 1) NDC number; 2) Product name; 3) Units paid for during the Quarter by NDC number; 4) Total number of prescriptions paid for during the Quarter by NDC number; and 5) Total amount paid during
2.9 National Drug Code (NDC) is the identifying drug number maintained by the Food and Drug Administration (FDA). For the purposes of this Agreement the complete 11 digit NDC number will be used including labeler code (which is assigned by the FDA and identifies the establishment), product code (which identifies the specific product or formulation), and package size code.

2.10 National Rebate means the CMS Basic Rebate and the CMS CPI Rebate, collectively.

2.11 Preferred Drug List (PDL) shall mean the list developed by the Pharmaceutical and Therapeutics Committee (P & T Committee) and adopted by the Mississippi Division of Medicaid and DOM's coordinated care vendors.

2.12 Quarter means calendar quarter unless otherwise specified.

2.13 Rebate Payment Due Date means the date that is 30 days following Manufacturer’s receipt of Medicaid Utilization Information from the DOM.

2.14 State Supplemental Rebate means, with respect to the Covered Product(s), the quarterly payment by the Manufacturer pursuant to this Agreement.

2.15 Step Care shall mean a defined order of therapeutic choices within either the preferred or non-preferred drug list categories.

2.16 Unit(s) means drug unit in the lowest identifiable amount (e.g. tablet or capsule for solid dosage forms, milliliter for liquid forms, gram for ointments or creams).

2.17 WAC shall mean the Wholesale Acquisition Cost, which is the price paid by a wholesaler for drugs purchased from the wholesaler’s supplier, typically the manufacturer of the drug. The WAC used for the State Supplemental Rebate invoicing shall be the published WAC price of a Covered Product by NDC as published by First DataBank, MediSpan or Red Book on the last day of the Quarter that corresponds to the Quarter for which the Medicaid Utilization Information for the Covered Product is reported to the manufacturer.
3. **MANUFACTURER’S RESPONSIBILITIES**

3.1 Nothing in this agreement shall be construed as relieving the Manufacturer from its obligation to provide the DOM National Rebates for the Covered Product(s).

3.2 In addition to the National Rebates, the Manufacturer will remit to the DOM a State Supplemental Rebate for Covered Product(s) included on the PDL. The Manufacturer shall pay to the DOM the State Supplemental Rebate amount in accordance with the formula set forth in Attachment B. This State Supplemental Rebate is in addition to the National Rebates.

3.3 Quarters shall be used in calculating both the National Rebates and the State Supplemental Rebate.

3.4 Absent a dispute raised pursuant to the Dispute Resolution section of this Agreement, Manufacturer shall make State Supplemental Rebate payments to the DOM for each Quarter no later than the Rebate Payment Due Date. The Manufacturer is responsible for timely payment of the rebate by the Rebate Payment Due Date following receipt of, at a minimum, information on the number of Units paid, by NDC number.

3.5 The Manufacturer will pay the State Supplemental Rebate, including any applicable interest calculated in accordance with 42 U.S.C. § 1396b(d)(5). Interest on the Rebates payable this Agreement begins accruing 38 calendar days from receipt of Mississippi’s Medicaid Utilization Information sent to the Manufacturer, and interest will continue to accrue until the postmark date of the Manufacturer’s payment. Rebate payments mailed more than 68 days from the date of invoice shall include interest, calculated in accordance with federal guidelines.

3.6 Nothing in this Agreement shall be construed as prohibiting the Manufacturer from discontinuing production, marketing or distribution of any Covered Product or from transferring or licensing any Covered Product to a third party. If the Manufacturer elects to discontinue production, marketing or distribution of any
Covered Product or to transfer or license any Covered Product to a third party, the Manufacturer shall make every reasonable effort to notify the DOM prior to such action so that the DOM can negotiate with such third party for State Supplemental Rebates on such Covered Product or remove such Covered Product from the PDL. Upon notification of the Manufacturer’s election to discontinue production, marketing or distribution of any Covered Product or to transfer or license any Covered Product to a third party, the Covered Product shall be removed from the definition of “Covered Products.”

3.7 Unless notified otherwise, the Manufacturer will send Rebate payments by certified mail, return receipt requested, to the DOM Primary Billing Address identified on the first page of this Agreement.

4. DOM RESPONSIBILITIES

4.1 Preferred Drug List: The DOM and coordinated care vendors shall place Covered Products in an advantaged position relative to non-preferred products regarding Preferred Drug List status, and depending on the designated preferred tier, the DOM may place Covered Products in an advantaged position relative to other preferred products, “Step Care.” Certain preferred drugs, including Step Care drugs, may be subject to prior authorization, i.e., preferred but with prior authorization. The DOM will comply with all provisions of 42 U.S.C. § 1396r-8(d). Drugs of manufacturers who do not participate in the supplemental rebate program will be made available to Medicaid beneficiaries but may be subject to prior authorization.

4.2 The DOM will provide State Medicaid Utilization Information to the Manufacturer on a quarterly basis. The DOM will report to the Manufacturer the Medicaid Utilization Information for claims paid during the Quarter within ninety (90) days of the last day of each Quarter. This reporting shall be done in a manner consistent with the Federal Drug Rebate program. This data will be based on paid claims data (data used to reimburse pharmacy providers) for the Mississippi Medicaid Program.
4.3 The DOM will maintain the data systems and audits as are necessary to ensure the accuracy of the data used to calculate the State Supplemental Rebate. In the event material discrepancies are discovered, the DOM will make available supporting data that is then in existence concerning the claimed utilization, which may include an adjustment to the amount of the Rebates. Any such payment adjustment shall be included on the next Quarterly invoice.

4.4 The DOM shall maintain electronic claims records for the most recent four Quarters that will permit the Manufacturer to verify through an audit process the Medicaid Utilization Information provided by the DOM. The DOM and the Manufacturer will develop mutually-beneficial audit procedures, should such an audit be required to resolve disputes regarding Medicaid Utilization Information.

4.5 Upon implementation of this Agreement, and from time to time thereafter, the DOM and the Manufacturer will meet to discuss any data or data system improvements that are necessary or desirable to ensure that the data and any information provided by the DOM to the Manufacturer are adequate for the purposes of this Agreement.

4.6 The DOM warrants that it received CMS authorization to receive State Supplemental Rebates as provided under this Agreement and that the Manufacturer’s participation in this State Supplemental Rebate program will not affect the Manufacturer’s Best Price and the AMP.

5. **DISPUTE RESOLUTION**

5.1 Utilization disputes will be handled in the same manner as the National Rebates dispute resolution process.

5.2 In the event that in any Quarter a discrepancy in calculation of that quarter’s State Supplemental Rebate is noted by the Manufacturer, which the Manufacturer and the DOM in good faith are unable to resolve, the Manufacturer will provide
written notice of the discrepancy, by NDC number, to the DOM by the Rebate Payment Due Date.

5.3 If the Manufacturer in good faith believes the DOM’s calculation of the State Supplemental Rebate is erroneous, the Manufacturer shall pay the DOM that portion of the State Supplemental Rebate claimed that is not disputed by the Rebate Payment Due Date. The balance in dispute, if any, plus a reasonable rate of interest as set forth in 42 U.S.C. § 1396b(d)(5), will be paid by the Manufacturer by the due date of the next quarterly payment after resolution of the dispute.

5.4 The DOM and the Manufacturer will use their best efforts to resolve the discrepancy within sixty (60) days of receipt of written notification. Either party may, at any time and at its own expense, hire a mutually agreed-upon independent auditor to verify the accuracy of the DOM’s calculation of the State Supplemental Rebate or the Manufacturer’s calculations and payment figures. Should an audit of pharmacy records be required to resolve disputes, the DOM will cooperate with the Manufacturer and provide information by zip code of pharmacy provider upon the Manufacturer’s request.

6. CONFIDENTIALITY PROVISIONS

6.1 Pursuant to 42 U.S.C. § 1396r-8(b)(3)(D) and this Agreement, information disclosed by the Manufacturer in connection with this Agreement is confidential and, not withstanding other laws, will not be disclosed by the Secretary or the State Medicaid Agency in a form which reveals the Manufacturer, or prices charged by the Manufacturer, except as necessary by the Secretary to carry out the provisions of and to permit review under 42 U.S.C. § 1396r-8 by the Comptroller General. To the extent that the DOM utilizes the services of a third-party to develop and maintain the PDL, or to administer any part of this Agreement, all provisions of this section shall apply to the third-party, and the DOM shall have
the third-party sign a written agreement ensuring the third-party will comply with all aspects of this section. In the event that the DOM is required by law to disclose any provision of this Agreement or pricing information to any person other than as provided above, the DOM shall provide advance written notice to the Manufacturer sufficiently in advance of the proposed disclosure to allow the Manufacturer to seek a protective order or other relief. The foregoing shall not prevent the disclosure by the Manufacturer to the DOM of information regarding the National Rebates for Covered Products.

6.2 The parties agree that information revealing the identity of Medicaid recipients is confidential and shall not be disclosed except as necessary to carry out this Agreement or as may be required by judicial order.

6.3 The Manufacturer will hold the Medicaid Utilization Information confidential. If the Manufacturer audits this information or receives further information on such data, that information shall also be held confidential. The Manufacturer shall have the right to disclose Medicaid Utilization Information to auditors who agree to keep such information confidential.

6.4 The provisions of this section and any confidentiality agreement executed pursuant to this section shall survive termination or expiration of this Agreement.

7. NONRENEWAL OR TERMINATION

7.1 This Agreement shall be effective on the Effective Date and, absent early termination pursuant to the terms of this Agreement, shall continue in force until the Termination Date.

7.2 This Agreement may be terminated, in whole or in part, by either party by giving written notice to the other party as indicated:

(a) During the Agreement period, if the generic equivalent of any Covered Product should become available, either party may terminate this
Agreement as to such Covered Product by giving at least sixty (60) days prior notice.

(b) Either party may terminate this Agreement in whole or in part for any reason or no reason at all by providing written notice at least one hundred and eighty (180) days prior to the effective date of the termination. Termination shall become effective the 180th day after a party gives written notice requesting termination.

(c) In the event that the DOM determines, as a result of a drug utilization therapeutic review, that a specific Covered Product of the Manufacturer or a therapeutic class of Covered Products included on the Mississippi Medicaid Preferred Drug List, should require prior authorization for appropriateness of therapy based on best clinical practice standards, and the specific Covered Product is disadvantaged relative to the other preferred brand products in that class, the parties agree that written notice of termination of the agreement for the Covered Product shall be at least sixty (60) days prior to the effective date of the prior authorization implementation. Termination shall become effective on the effective date of the prior authorization implementation.

7.3 This Agreement, or a portion thereof, may be immediately terminated upon the occurrence of any one of the following events:

(a) A determination by any court or any authorized governmental authority that the arrangements and transactions under this Agreement or any similar agreement constitute a violation of any law or regulation including without limitation 42 U.S.C. § 1320a-7b(b) prohibiting illegal remunerations. (For the purposes of this Section, “authorized governmental authority” shall mean any officer or agency of the Federal Government (e.g., Office of Inspector General, Division of Medicaid Justice) or the State of Mississippi (e.g., Mississippi Attorney General) having substantive jurisdiction over the subject matter of this Agreement; any state or federal program with which
this Agreement is connected; any actions which must be taken by either
party hereto in order to perform its obligations under this Agreement or any
laws or regulations affecting the legality of this Agreement); or

(b) A determination by CMS that the State Supplemental Rebates paid or
payable by the Manufacturer under this Agreement will affect or be included
in Best Price or AMP calculations for determining rebates paid pursuant to

Termination under this subsection may be in whole or in part and may relate to
certain Covered Products or to all Covered Products addressed by this Agreement.

7.4 Up until the effective date of termination, the Manufacturer’s Covered Product(s)
will not be discouraged or disadvantaged in any way inconsistent with this
Agreement. After the effective date of the termination, the Manufacturer’s
Covered Product(s) will be available to the Mississippi Medicaid Program
beneficiaries but may require prior authorization, and the Manufacturer’s
obligation to pay State Supplemental Rebates will terminate.

7.5 Any renewal or termination will not affect rebates due or owning on or before the
effective date of termination.

8. GENERAL PROVISIONS

8.1 This Agreement will be governed and construed in accordance with 42 U.S.C. §
1396r-8, Title 42 of the Code of Federal Regulations, and all other applicable
federal law and regulations.

8.2 Any notice required to be given pursuant to the terms and provisions of this
Agreement will be in writing and will be sent by parcel delivery service (UPS,
FedEx or DHL). Notice to the DOM will be sent to the DOM Notice Address
identified on the first page of this Agreement. Notice to the Manufacturer will be
sent to the Manufacturer Notice Address identified on the first page of this
Agreement.
8.3 The Manufacturer agrees to be bound by the laws of the State of Mississippi and agrees that this Agreement shall be construed and interpreted in accordance with Mississippi law without giving effect to the conflicts of the law’s provisions thereof. This provision does not supersede federal law to the extent federal law is applicable and controlling.

8.4 Nothing herein shall be construed or interpreted as limiting or otherwise affecting the DOM’s or the Manufacturer’s ability to pursue its rights arising out of the terms and conditions of the Agreement in the event that a dispute between the parties is not otherwise resolved.

8.5 The Manufacturer and the agents and employees of the Manufacturer in the performance of this Agreement will act in an independent capacity and not as officers, employees or agents of the State of Mississippi.

8.6 In the event of a transfer in ownership of the Manufacturer, the Agreement shall be automatically assigned to the new owner, subject to the conditions of this Agreement.

8.7 Nothing in this Agreement will be construed so as to require the commission of any act contrary to law. If any provision of this Agreement is found to be invalid or illegal by a court of law, or inconsistent with federal requirements, this Agreement will be construed in all respects as if any invalid, unenforceable, or inconsistent provision were eliminated, and without any effect on any other provision. The parties agree to negotiate replacement provisions, to afford the parties as much of the benefit of their original bargain as is possible.

8.8 The DOM and the Manufacturer declare that this Agreement, including attachments, contains a total integration of all rights and obligations of both parties. There are no extrinsic conditions, collateral agreements or undertakings of any kind. In regarding this Agreement as the full and final expression of their contract, it is the express intention of both parties that any and all prior or contemporaneous agreements, promises, negotiations or representations, either
oral or written, relating to the subject matter and period of time governed by this Agreement which are not expressly set forth herein are to have no force, effect, or legal consequences of any kind.

8.9 The following provisions of this Agreement may be altered by an amendment in writing signed by both parties and approved by the appropriate DOM:

- Notice Provision
- Effective Date identified on the first page of this Agreement
- Attachment A (Covered Products)
- Attachment B (Rebate Formula)

The remainder of this Agreement will not be altered except by an amendment in writing signed by both parties and approved by CMS and the appropriate State control agencies. Any modification of the formula to include non-Medicaid population groups must be authorized by CMS.

8.10 Neither party contemplates any circumstances under which indemnification of the other party would arise. Nevertheless, should such circumstances arise, the Manufacturer agrees to indemnify, defend and hold harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Manufacturer in the performance of this Agreement.

8.11 This Agreement is not assignable by the Manufacturer either in whole or in part without the written consent of the DOM, which will not unreasonably be withheld. This Agreement is not assignable by the DOM either in whole or in part without the written consent of the Manufacturer, which will not unreasonably be withheld.

8.12 Inasmuch as the State Supplemental Rebate required by this Agreement is for Mississippi Medicaid Program beneficiaries, it is agreed that the State Supplemental Rebate does not establish a new Best Price or AMP for purposes of the participating Manufacturer’s CMS Agreement. Performance under this
Agreement shall be contingent on the non-occurrence of the event described in Section 7.3(b) of this Agreement, and on CMS’s valid authorization of the Mississippi Supplemental Rebate Program of which this Agreement forms a part.

8.13 It is the DOM’s belief that the business arrangement contemplated by this Agreement is not subject to the provisions of 42 U.S.C. § 1320a-7b(b) prohibiting illegal remuneration. Should the above provisions apply, it is the DOM’s belief that the business arrangement contemplated by this Agreement meets the discount exception found in 42 U.S.C. § 1320a-7b(b)(3)(A), which excludes from prohibited activities the practice of discounting or other reductions in price obtained by a provider of services or other entity under a Federal health care program, if the reduction in price is properly disclosed and appropriately reflected in the costs claimed or charges made by the provider or entity under a Federal health care program. The DOM currently provides CMS full and unfettered access to all information held by the DOM regarding the implementation of the Mississippi Medicaid Program, and shall continue to do so.

8.14 Noncompliance with any obligations hereunder due to force majeure, such as acts of God, laws or regulations of any government, war, terrorism, civil commotion, destruction of production facilities and materials, fire, earthquake, storm, labor disturbances, shortage of materials, failure of public utilities or common carriers, and any other causes beyond the reasonable control of the parties, shall not constitute breach of this Agreement.
ATTACHMENT A

Covered Products

The products to which the Supplemental Rebate Agreement shall apply are the following:

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<tr>
<th>Manufacturer</th>
<th>NDC</th>
<th>Product Description</th>
<th>Formula</th>
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ATTACHMENT B

Rebate Formula

<table>
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<tr>
<th>Manufacturer</th>
<th>NDC (11 digits required)</th>
<th>Product Description</th>
<th>Tier¹</th>
<th>Formula²</th>
<th>Contracted GNP</th>
<th>Comments</th>
</tr>
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¹ Tiers (Preferred Brand Levels)
Preferred Brand Levels, referred to as Tiers in the offer entry system, represent how the Member States will use an offer in a given tier. Manufacturers may submit an offer in any combination of or all of the four possible tiers. An offer must be made for all state grouping categories in any selected tier.

   Levels 1-3
   ● The preferred brand level or tier number represents the number of preferred drugs in that PDL category

   Level 4
   ● Your drug will be one of four or more drugs in that PDL category

² Formulas
Formula 1: Percentage of WAC. Formula for Supplemental Rebate calculation: WAC*% of WAC = Supplemental Rebate Amount per unit
Formula 2: Guaranteed Net Price. Formula for Supplemental Rebate calculation: WAC - National Rebate - Guaranteed Net Price = Supplemental Rebate Amount per Unit