



Sovereign States Drug Consortium

*Iowa
Maine
Mississippi
Oregon
Utah
Vermont
West Virginia
Wyoming*

DIABETIC SUPPLY OFFER SUBMISSION FAQ

1. How many states are members of the SSDC Pool?

As of July 2012, there are eight states participating in the SSDC pool. These states include Iowa, Maine, Mississippi, Oregon, Utah, Vermont, West Virginia, and Wyoming. That number may change as the Sovereign States Drug Consortium encourages the participation of new states.

2. Is there one bidding process for all the states?

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.

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

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.

3. Who do I contact if I have questions about offer submissions or the process?

If you have any questions, contact GHS via email at rxoffers@ghsinc.com. Please allow two business days for a response.

4. 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.



Sovereign States Drug Consortium

*Iowa
Maine
Mississippi
Oregon
Utah
Vermont
West Virginia
Wyoming*

5. 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

6. How do I fill out the offer form?

A completed example of the offer form is located on the last page of this document.

Column Name	Instructions
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 individual units in the box. States require the calculation to be completed in this way because they 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, then calculate the amount using the following formula: WAC (Q2 2012 last day rate) x .05 = calculated offer unit amount.
Offer Comments	This field should be used to convey offer details, such as: <ul style="list-style-type: none"> • Meter procurement methods available; • If your company needs additional documents in order to set up procurement methods (call centers/ websites); and • Any offer enhancements or restrictions that States will need to consider when evaluating the offer.

No additional contingencies may be added once the negotiations are completed. Be sure to note any restrictions related to your bid in the offer comment field.



Sovereign States Drug Consortium

*Iowa
Maine
Mississippi
Oregon
Utah
Vermont
West Virginia
Wyoming*

7. 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 Offeror 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.
 - a. Nonpayment of rebates means the failure to pay any rebates to an SSDC State for the calendar year in which the offer was due.
 - b. An underpayment of rebates is substantial if it exceeds the lower of either:
 - i. Ten (10%) percent of any quarter's basic/CMS, supplemental, or special rebates invoiced amount by any SSDC State or
 - ii. Fifty thousand (\$50,000.00) dollars in aggregate as to any SSDC State at the time that the offer was due.
5. All offers are made with the understanding that the individual terms and conditions of the SSDC Member States' Diabetic Special Rebate Agreements apply.
6. 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.



**Sovereign
States
Drug
Consortium**

*Iowa
Maine
Mississippi
Oregon
Utah
Vermont
West Virginia
Wyoming*

- Mississippi – Circuit Court of First Judicial Court of Hinds County, Mississippi.
 - 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 do I know if my offer was accepted?

GHS will send out an official accept or reject notification to all manufacturers that submitted an offer.

SSDC Special Rebate Offer Form Example

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

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Bidder Name	Ms. Example													
Bidder Phone No.	111-111-1111		SSDC DME Special Rebate											
Bidder Email	example@example.com													
						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 webside, 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) would be 1.00

Please enter the appropriate formula for your offer to calculate the offer unit amount

Formula 1: $WAC * \% \text{ of WAC} = \text{Offer Unit Amount}$

Formula 2: $WAC - GNP = \text{Offer Unit Amount}$