



Sovereign States Drug Consortium

March 9, 2016

Dear Manufacturer:

This letter is to inform you that the Member States of the Sovereign States Drug Consortium (SSDC) are now accepting supplemental rebate offers for drug products for rebate calendar year 2017 (January 1, 2017-December 31, 2017). Goold Health Systems, a Change Healthcare company, (GHS) will again serve as the supplemental rebate vendor for the SSDC, with responsibility for soliciting, analyzing and negotiating supplemental rebate offers for the pool.

The SSDC is a Centers for Medicare and Medicaid Services (CMS) approved Medicaid multistate purchasing pool, currently with eleven Member States – Delaware, Iowa, Maine, Mississippi, North Dakota, Oklahoma, Oregon, Utah, Vermont, West Virginia, and Wyoming. Delaware and Oklahoma are currently working towards the approvals of their State Plans with CMS. All other states have received approvals. Each Member State's Supplemental Rebate Agreement (SRA), including any versions approved by CMS, submitted to CMS for review and approval, or slated for review by CMS, is available at www.rxssdc.org. All offers should be made with the understanding that the terms and conditions as found in each SRA apply in these negotiations. Manufacturers should carefully read each SRA as changes cannot be made to these documents. Cover letters that amend any portion of the States' SRA language are not permitted and will result in rejection of the offer. Contracted manufacturers will be notified if changes occur to any of the Member States' SRAs.

SSDC Member States are seeking offers for single- and multiple-source drug products in all therapeutic drug classes. Consideration will be given to all offers that are submitted in accordance with the submission process as long as the manufacturer is in good standing with respect to federal and supplemental rebate payments. All offer information will remain confidential and, in accordance with Section 1927(b)(3)(D) of the Social Security Act, rebate amounts will not be disclosed.

Offer comments should be limited in length and not redundant to a SRA. In their initial offer, manufacturers should include language that is consistent with their existing SSDC contracts and Member States' current criteria with regards to acceptable step edits, clinical edits, age or quantity limits, etc. Submission of language inconsistent with these criteria may result in rejection of the offer. Only those offer comments submitted through the SSDC offer system will be considered.

Detailed instructions for offer submittals are available at the SSDC website (www.rxssdc.org). No offers for products already on the market will be accepted after the April 8, 2016 submission deadline. After this deadline, initial offers will be accepted only for new drugs, i.e., those not on the market prior to March 9, 2016.

Manufacturers should consider their initial offer to be their best and final offer as subsequent submissions will be rejected unless a request for additional offers is initiated by the SSDC during the offer negotiation period. Manufacturers should not contact GHS or the SSDC Member States to solicit feedback on initial offers.

***Delaware • Iowa • Maine • Mississippi • North Dakota • Oklahoma
Oregon • Utah • Vermont • West Virginia • Wyoming***

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Feedback on initial offers will be provided only during SSDC-initiated negotiations. The SSDC will only counter an initial offer if it is determined to be of benefit to the Member States. Counter offers will be sent to manufacturers by April 22, 2016. Responses to counter offers must be submitted through the SSDC website by May 6, 2016.

Offers will be presented by GHS to the Member States during the SSDC annual meeting on June 20-22, 2016. Member States will make their initial determinations of offer acceptance/rejection at this meeting.

Supplemental Rebate Agreements for all accepted offers must be executed prior to each Member State's annual Preferred Drug List (PDL) review by their respective Pharmaceutical & Therapeutics (P&T) Committees or Drug Utilization (DUR) Boards. Failure to provide an executed SRA prior to these meetings may result in rejection of the offer by the Member State.

Links to Member States' current PDLs and criteria are available on the SSDC website (www.rxssdc.org).

Member States' utilization data is available at www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Prescription-Drugs/Medicaid-Drug-Programs-Data-and-Resources.html.

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

Sincerely,
Sovereign States Drug Consortium

*Delaware ▪ Iowa ▪ Maine ▪ Mississippi ▪ North Dakota ▪ Oklahoma
Oregon ▪ Utah ▪ Vermont ▪ West Virginia ▪ Wyoming*