



March 5, 2018

Dear Manufacturer:

This letter is to inform you that the Member States of the Sovereign States Drug Consortium (SSDC) will begin accepting drug product supplemental rebate offers for rebate calendar year 2019 (January 1, 2019-December 31, 2019), on March 26, 2018. Change Healthcare will again serve as the supplemental rebate vendor for the SSDC, with the responsibility of soliciting, analyzing, and negotiating supplemental rebate offers on behalf of the pool.

The SSDC is a Centers for Medicare and Medicaid Services (CMS)-approved Medicaid multi-state purchasing pool, currently with twelve Member States – Delaware, Iowa, Maine, Mississippi, North Dakota, Ohio, Oklahoma, Oregon, Utah, Vermont, West Virginia, and Wyoming. Each Member State's CMS approved Supplemental Rebate Agreement (SRA), including any revisions submitted to CMS for review and approval, 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; 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 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 submissions are available at the SSDC website (www.rxssdc.org). No offers for products already on the market will be accepted after the April 27, 2018 submission deadline. After this deadline, initial offers will be accepted only for new drugs, i.e., those not on the market prior to March 26, 2018.

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 Change Healthcare or the SSDC Member States to solicit feedback on initial offers. Feedback on initial offers will be provided only during SSDC-initiated negotiations.

Offers will be presented by Change Healthcare to the Member States during the SSDC annual meeting on August 1-3, 2018. 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 Review (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 <https://www.medicaid.gov/medicaid/prescription-drugs/state-drug-utilization-data/index.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, Ohio, Oklahoma, Oregon, Utah, Vermont, West Virginia, and
Wyoming