



**Sovereign
States
Drug
Consortium**

March 20, 2020

Dear Manufacturer:

This letter is to inform you that the Member States of the Sovereign States Drug Consortium (SSDC) will begin accepting rebate offers for drug products for the 2021 contract year (January-December 2021), on March 23, 2020. The deadline for submission of offers is **April 24, 2020**. Initial offers for products on the market as of March 23, 2020 will not be accepted after this date.

The SSDC is a Centers for Medicare and Medicaid Services (CMS)-approved Medicaid multistate contracting pool consisting of 13 Member States – Delaware, Iowa, Maine, Mississippi, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Utah, Vermont, West Virginia, and Wyoming. Change Healthcare will again serve as the rebate services vendor for the SSDC, with the responsibility of soliciting, analyzing, and negotiating rebate offers on behalf of the pool.

SSDC Member States are seeking rebate offers for CY2021 for any and all drug products, regardless of therapeutic class or benefit type (pharmacy or medical). 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.

Supplemental rebate offers must be submitted through the SSDC Electronic Rebate Offer Management System (EROMS). Detailed instructions for supplemental rebate offer submissions are available at the SSDC website (www.rxssdc.org). 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 supplemental rebate offers as such feedback will be provided only during SSDC-initiated negotiations. Offer comments should be limited in length and not be superfluous or redundant to language in the SRAs. Submission of offer comments inconsistent with these criteria may result in rejection of the offer. Only those offer comments submitted through the SSDC offer system will be considered.

Each Member State contracts for accepted supplemental rebate offers using their individual CMS-approved Supplemental Rebate Agreements (SRAs), which are available for review at www.rxssdc.org. The terms and conditions in each SRA are non-negotiable and changes to the agreements are not permitted. Cover letters that amend any portion of the 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.

Alternative rebate offers, such as those based on clinical outcomes, should be submitted directly to Change Healthcare's Senior Director of Industry Relations, Steve Liles, at SLiles@ChangeHealthcare.com. Manufacturers seeking to submit such

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• Pennsylvania • Utah • Vermont • West Virginia • Wyoming*

offers are encouraged to contact Dr. Liles via e-mail or telephone (513-519-8212) to discuss the offers and contracting mechanisms prior to submission.

Offers will be presented by Change Healthcare to the Member States during the SSDC Annual Meeting in late July, after which each Member State will make its final decisions as to offer acceptance. These final decisions are generally completed throughout the remainder of the year.

Some Member States may require that Supplemental Rebate Agreements for all accepted offers be executed prior to review by their 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 these Member States.

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/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, Pennsylvania, Utah, Vermont, West Virginia, and Wyoming