

Dear Pharmaceutical Manufacturer:

On July 2, 2010, we notified manufacturers that on September 29, 2010, the Florida Medicaid Pharmacy & Therapeutics (P&T) Committee will be reviewing the products listed on the document posted at:

http://www.providersynergies.com/services/documents/FLM_Classes_For_Review_09_2010.pdf

In addition to those products, the Florida P&T Committee will also conduct a review of some of the “mass review” drug products in those therapeutic classes that are typically not included in the therapeutic classes established by Provider Synergies. The purpose of this review is to consider such drug products for inclusion on the Florida Medicaid Preferred Drug List (PDL). Florida statute authorizes the Agency for Health Care Administration to negotiate supplemental rebates from manufacturers that are in addition to those required by Title XIX of the Social Security Act and at no less than 14 percent of the Average Manufacturers Price as defined in 42 U.S.C. s.1936 on the last day of a quarter, unless the Federal or supplemental rebate, or both, equals or exceeds 29 percent. Agreement to pay the minimum supplemental rebate percentage will guarantee a pharmaceutical manufacturer that the Medicaid P&T Committee will consider a product for inclusion on the PDL. However, a manufacturer is not guaranteed placement on the PDL by simply paying the minimum supplemental rebate for its product(s). Agency PDL decisions are made on the basis of the clinical efficacy of the drug, recommendations of the Medicaid P&T committee, and the relative cost of competing products.

In preparation for this review, Provider Synergies is, on behalf of the Florida Agency for Health Care Administration, 1) providing this notification to those pharmaceutical manufacturers having contact information on file with Provider Synergies, and 2) soliciting supplemental rebate offers to ensure the eligibility requirements are met for those products that the P&T committee will likely review for consideration of inclusion on the PDL.

A representative list of products and therapeutic classes for which the P&T committee will likely review for PDL consideration at this meeting is posted at:

http://www.providersynergies.com/services/documents/FLM_Mass_Review_For_09_2010.pdf

Only offers for products that are considered “drugs” by the Federal Medicaid Drug Rebate Program will be considered. Offers for non-drug items, e.g., medical devices, supplies, syringes, needles, dressings, blood glucose monitors, inhalation devices, nutritional supplements, etc. are not within the scope of this review.

The preferred contract price/discount for Florida Medicaid is Guaranteed Net Unit Price (GNUP) based on Wholesaler Acquisition Cost (WAC). GNUP is calculated as:

GNUP = WAC Price per Unit - Federal Unit Rebate Amount - Supplemental Rebate Amount.

The GNUP represents the value that will determine your supplemental rebate amount each quarter, along with the WAC price and Federal URA in effect for that quarter, throughout the term of the contract. It is also the value that will appear on your contract as the contract price.

All supplemental rebate offers must be submitted via the Provider Synergies Secure FTP site (www.secureftp.providersynergies.com/pssecure.html) using the Offer Form available for download at:

<http://www.providersynergies.com/services/medicaid/default.asp?content=Florida>

Please save the Offer Form file to your local PC and follow the instructions for the completion and submission of the form. Prior to submitting, please re-name the Offer Form file as FLM [Your Company] Offer Form.xls. Please limit your company’s name to 15 characters, abbreviating or truncating as necessary. Using any other naming convention or saving the file as a type other than .xls may render your Offer Form information unrecognizable by our systems.

Only those offers submitted to Provider Synergies through our Secure FTP site and using **this** Offer Form will be presented to the state for review and consideration.

All best and final supplemental rebate offers must be submitted to the Provider Synergies Secure FTP site (www.secureftp.providersynergies.com/pssecure.html) by:

2:00 p.m. EST on July 23, 2010

Offers received after this date and time, offers not submitted via our Secure FTP site, or offers submitted in a format other than the Offer Form referenced above, will not be considered for this review.

The following information is provided to assist you in completing and submitting your Offer Form, in addition to the instructions included on the Offer Form itself:

- Please direct questions regarding how to complete the Offer Form to Troy Phelps (TWPhelps@magellanhealth.com) or telephone 513-794-5274.
- Please direct questions regarding the Secure FTP site to Mike Phelps (MDPhelps@magellanhealth.com) or telephone 513-794-5287. Requests for user names and passwords may also be submitted via e-mail to Mike Phelps. User names and passwords will not be provided over the telephone.
- Do not change the column heading names, add or delete columns or rows, or modify any formats on the Offer Form. Doing so may render your Offer Form information unrecognizable by our systems.
- Prior to submitting, please re-name the Offer Form file as FLM [Your Company] Offer Form.xls. Please limit your company's name to 15 characters, abbreviating or truncating as necessary. Using any other naming convention or saving the file as a type other than .xls may render your Offer Form information unrecognizable by our systems
- A confirmation of receipt will be sent to the e-mail address designated on the Preparer Information tab of each Offer Form when the file is downloaded from the Secure FTP site to our internal servers (*not* when the file is uploaded). Allow at least 4 hours from the time of submission to the FTP site for the generation of the confirmation of receipt.

Please do not submit changes to manufacturer contact information with your Offer Form submissions. Such changes should be made using the Contact Information Form available at

<http://www.providersynergies.com/services/medicaid/default.asp?content=ManufacturerContactForm>

Clinical data pertinent to the drugs being reviewed may be submitted to Provider Synergies in electronic format only. Information should be sent to Chris Andrews, PharmD via e-mail (CJAndrews@magellanhealth.com) or CD-ROM (address to Chris Andrews, PharmD, 10101 Alliance Rd, Ste. 201, Cincinnati, OH 45242).

Supplemental rebates for those products selected for the Preferred Drug List will begin to accrue October 1, 2010. The term of the contract is one year.

Thank you for your consideration,

Troy Phelps