

Dear Diabetic Testing Supply and Insulin Syringe Manufacturer:

Conduent Government HealthCare, on behalf of the State of Missouri, MO HealthNet Division, invites you to submit competitive pricing for their Diabetic Supply and Insulin Syringe program. New contracts for preferred manufacturers will start **April 1, 2022** and expire on **March 31, 2023**.

Diabetic supplies being solicited include, but are not limited to blood glucose/ketone meters, lancets, lancet devices, blood and urine glucose and ketone testing strips, Continuous Glucose Monitors (CGMs), insulin syringes, pen needles, tubeless insulin pumps, and other products used in the testing and/or administration of diabetic treatments.

****Please note that SMART pen devices are of interest this year and will be evaluated for coverage during the bidding cycle****

As you are evaluating the request for offers for the MO HealthNet Diabetic Supply Program, we would like to keep you abreast of the growing Medicaid enrollment:

Since the pandemic has occurred, the State of Missouri, MO HealthNet Division has added approximately 200,000 lives to its Medicaid program, totaling approximately 1,090,000 lives covered under the Medicaid Fee for Service Pharmacy Program (as of July 31st, 2021). All newly enrolled members will have their pharmacy benefits covered through MO HealthNet, through the Fee-for-Service program. Due to Medicaid Expansion, we anticipate approximately 1.3 – 1.4 million members by July 2022.

Please find several documents attached:

- 1) A letter from Josh Moore, Pharm.D, Director of Pharmacy, State of Missouri, MO HealthNet Division
- 2) MO DSP Offer Form for all Diabetic Supply Products (including blood glucose meters and strips), Insulin Syringes, Pen Needles , Lancets, Tubeless Insulin Pumps and Continuous Glucose Monitoring (CGM) devices – which are to be submitted through the Conduent Secure Large File Transfer (SLFT) website
- 3) The Missouri HealthNet Diabetic Supply and Insulin Syringe -Rebate Agreement with Addendum A to the Rebate Agreement*

***Please Note: The Rebate Agreement and Addendum A are attached for REFERENCE ONLY – once offer forms have been submitted, reviewed by the State and if accepted, Conduent Government HealthCare will populate and submit to the manufacturer for contract execution**

All supplemental rebate offers may be submitted utilizing the Offer Form attached in either of the following methods: -

- Via email directly to Sandra.kapur@conduent.com
- Via the Conduent SLFT site at <https://slft.atos-nao.net/index.php>

If you have never registered for the SLFT website, please send an email to Sandra.Kapur@conduent.com and request an invitation to join the SLFT website. Please note that once registered you will need to save your password for further use of the SLFT. Also you will be asked to create a passphrase to secure the offer form prior to it being sent; please send this passphrase to Sandra.Kapur@conduent.com via regular email after the bid has been sent as I will need this to receive your offer form.

Please save the Offer Form file to your local PC and follow the instructions for the completion and submission of the form. All best and final supplemental rebate offers must be submitted to the Conduent Government SLFT site by:

5:00 p.m. EST on Monday, November 1st, 2021

All rebate offers should be submitted at a Net Cost per Unit (**NOT PER PACKAGE**). The Net Cost formula is described in both the Rebate Agreement and Addendum A. An offer for preferred status, regardless of the status of other products, must always be submitted. In addition, the State is also interested in reviewing exclusive and restricted positioned offers.

It is requested that manufacturers use one contact person for all questions and communications regarding this process.

Thank you for your

consideration,

Sandy Kapur

Sandy Kapur, PharmD
Director, Trade Relations, Contracting and Pricing

CONDUENT

2810 North Parham Rd Suite 210
Richmond · VA · 23294

Office: 804-965-8117
Cell: 804-306-9229

sandra.kapur@conduent.com
www.conduent.com

MO HEALTHNET DIVISION DIABETIC TESTING SUPPLY AND INSULIN SYRINGE
REBATE AGREEMENT

CONTRACT# _____

1 PARTIES/PERIOD

1.1 This Diabetic Testing Supply Insulin Syringe Rebate Agreement ("Agreement") is made and entered into this **April 1, 2022**, by and between Missouri ("State"), represented by the MO HealthNet Division ("Division") and **MFT Name** ("Manufacturer"), Labeler Code(s) **XXXXX**. The parties, in consideration of the covenants, conditions, agreements, and stipulations expressed in this Agreement, do agree as follows:

2 PURPOSE

2.1 It is the intent of this Agreement that the State will receive Rebates for the Manufacturer's Diabetic Testing Supply and Insulin Syringe Product(s) quarterly utilization in the MO HealthNet Medicaid Program in which there is Medicaid federal financial participation.

3 DEFINITIONS

3.3 'Covered Product(s)' means the diabetic testing supply and/or insulin syringe product(s) listed on appendix a.

3.4 'Manufacturer' means, for purposes of this Agreement, the non-state party to this Agreement, which may be a diabetes testing supply and/or insulin syringe manufacturer, labeler or other entity not prohibited by law from entering into this Agreement, as identified in Section 1.1 of this Agreement.

- 3.5 'Net Cost Per Unit' or 'Net Cost' means, with respect to the Covered Product(s), the amount per NDC# agreed upon by the parties to this Agreement and set forth in the attached Addendum A.
- 3.6 'Pharmacy or Durable Medical Equipment Provider' means an entity licensed or permitted by state law to dispense diabetes testing supplies and insulin syringes, and enrolled as a Missouri Medicaid provider.
- 3.7 'Rebate' means, with respect to the Covered Product(s), the quarterly payment by Manufacturer to states as detailed in Sections 3.5, 3.6, and 4.1 of this Agreement.
- 3.8 'State Utilization Data' means the data used by the Division to reimburse providers under the MO HealthNet Medicaid Program.
- 3.9 'Covered Product(s)' means the Manufacturer's Covered Product(s), as listed in the attached Addendum A, that are the subject of this Agreement and for which Manufacturer has agreed to pay Rebates. These are the Manufacturer's Covered Product(s) that received preferred status on the MO HealthNet Medicaid Diabetes Testing Supply and Insulin Syringe Preferred List as a result of this Agreement.
- 3.10 'Rebate Amount Per Unit' means, with respect to the Covered Product(s), the amount(s) by NDC#, as specified in the attached Addendum A, that the Manufacturer has agreed to reimburse the Division per unit of Covered Product in accordance with the formula detailed in the attached Addendum A.
- 3.11 'Rebate Summary' means the report itemizing the State Utilization Data supporting the Division's invoice for Rebates.
- 3.12 'Diabetes Testing Supply and Insulin Syringe Rebate' means, with respect to the Covered Product(s), the quarterly payment by Manufacturer pursuant to Section 4.2 of this Agreement.
- 3.13 'Wholesale Acquisition Cost' or 'WAC' means the Manufacturer's U.S. Dollar wholesale acquisition price in effect on the last day of the applicable quarter on a unit basis, as published by a third party source, such as First Databank, for each product and is understood to represent the Manufacturer's published price for a product to wholesalers. Any dispute as to the applicable WAC shall be conducted in accordance with the dispute

provisions contained herein.

4 MANUFACTURER'S RESPONSIBILITIES

- 4.1 Manufacturer will calculate and remit to the Division Rebates for the Covered Product(s) utilization in the MO HealthNet Medicaid Program. The Rebates will be calculated on a calendar quarter basis and provided via an invoice to the Manufacturer's specific financial contact. The Rebate for the quarter will be determined by multiplying the number of units of each of the Covered Product(s) (by NDC#) reimbursed by the Division, for Missouri Medicaid utilization, in the preceding quarter by its corresponding Rebate Amount Per Unit, which is determined pursuant to the terms of the MO HealthNet Diabetic Testing Supply and Insulin Syringe Rebate Agreement Addendum A attached hereto, and summing the products of said multiplication(s). The Manufacturer's obligation for Rebates will continue for the duration of this Agreement.
- 4.2 The Manufacturer will pay the Rebate(s) set forth in this Agreement for utilization of the Covered Product(s) during the **twelve (12)** month period beginning the **April 1, 2022**, and ending **March 31, 2023**, as well as for any additional periods during which this Agreement remains in effect.
- 4.3 The quarters to be used for calculating the Rebates in Section 4.2 of this Agreement will be those ending on March 31, June 30, September 30, and December 31 of each calendar year during the term of this Agreement.
- 4.4 Manufacturer shall submit the Rebate payment within 38 days of the Manufacturer's receipt of the Rebate Summary from the Division.
- 4.5 Manufacturer will pay the Rebate(s), including any applicable interest in accordance with the Division's stated policy of 1% per month. Interest on the Rebates payable under Section 4.1 of this Agreement begins accruing 38 calendar days from the postmark date of the Division's invoice and supporting Rebate Summary sent to the Manufacturer and interest will continue to accrue until the postmark date of the Manufacturer's payment. The interest rate will be calculated as previously listed in the Section. If the Division has not received the Rebates payable under Section 4.1 of this Agreement, including any

applicable interest, within 180 days of the postmark date of the Division's invoice and supporting Rebate Summary sent to Manufacturer, this Agreement will be deemed to be in default and State may terminate this Agreement by providing Manufacturer with written notice of termination. Said notice of termination shall cite this section of the Agreement and the termination shall not affect Manufacturer's obligation to remit Rebates for utilization of Manufacturer's Covered Products that occurred prior to the termination of this Agreement.

- 4.6.1 Manufacturer agrees to continue to pay Rebates on the Covered Product(s) for as long as this Agreement is in force and State Utilization Data shows that payment was made for the Covered Product(s), regardless of whether the Manufacturer continues to market the Covered Product(s). Notwithstanding the above, in the event Manufacturer sells or transfers its right to sell a Covered Product(s) and ceases to manufacture, sell, label, and market the Covered Product(s), Manufacturer may assign its obligations under this Agreement with respect to said Covered Product(s) to the Covered Product(s)'s new owner. Manufacturer shall provide the Division with notice of the sale of said Covered Product(s). If a Covered Product is assigned pursuant to this Section, Manufacturer shall provide the Division with an update of the information contained in Section 9.3 herein with respect to the Covered Product(s)'s new owner.
- 4.7 Unless notified otherwise, Manufacturer will send Rebate payments by certified mail, return receipt requested, or via overnight courier to the following address:

Rebate Unit
Department of Social Services MO HealthNet Division
P.O. Box 1116
615 Howerton Court
Jefferson City, Missouri 65102-6500

5 DIVISION RESPONSIBILITIES

- 5.1 The Division will classify Manufacturer's Covered Product(s) as "preferred" in the MO HealthNet Medicaid Preferred Drug List. Notwithstanding the above, the Division retains the right to remove Manufacturer's Covered Product(s) from its Preferred Drug List. Said removal shall relieve Manufacturer of its obligation to pay Rebates for utilization of the affected Covered Product(s) that occurs subsequent to such removal.
- 5.2 The Division will provide aggregate State Utilization Data to Manufacturer on a quarterly basis. This data will be based on paid claims data (data used to reimburse providers) under the MO HealthNet Medicaid Program, will be consistent with any applicable Federal or State guidelines, regulations and standards for such data, and will be the basis for the Division's calculation of the Rebate(s).
- 5.3 The Division will maintain those data systems necessary to calculate the Rebate(s). In the event material discrepancies are discovered, the Division will promptly justify its data or make an appropriate adjustment, which may include a credit as to the amount of the Rebates, or a refund to Manufacturer as the parties may agree.
- 5.4 The Division shall maintain electronic or other claims records, for thirty-six (36) months to permit Manufacturer(s) to verify through an audit process the Rebate Summaries provided by the Division. Any audit conducted pursuant to this Section 5.4 shall be conducted by independent auditors, at Manufacturer's expense, during regular business hours and not more often than one (1) time per calendar year. The independent auditors shall provide at least thirty (30) days prior written notification of their intent to audit. The Division shall make available to the independent auditors such records as are required to demonstrate the accuracy of the claims submitted to the Manufacturer under this Agreement. The independent auditors may be required to enter into confidentiality agreements with the State and Manufacturer as necessary to comply with state and federal laws and regulations governing the privacy of individual or other health information or information that is proprietary and/or confidential. The independent auditors will not be provided access to information related to other manufacturers.

5.5 Upon implementation of this Agreement, and from time to time thereafter, the Division and Manufacturer may meet to discuss any data or data system improvements which are necessary or desirable to ensure that the data and any information provided by the Division to Manufacturer are adequate for the purposes of this Agreement.

6 DISPUTE RESOLUTION

6.1 In the event that in any quarter a discrepancy in State Utilization Data is questioned by the Manufacturer, which the Manufacturer and the Division in good faith are unable to resolve, the Manufacturer will provide written notice of the discrepancy to the Division.

6.2 If the Manufacturer in good faith believes the State Utilization Data is erroneous, the Manufacturer shall pay the Division that portion of the Rebate claimed, that is not in dispute by the required date in Section 4.6. The balance in dispute, if any, will be paid by the Manufacturer to the Division by the due date of the next quarterly payment after resolution of the dispute.

6.3 The Division and the Manufacturer will use their best efforts to resolve any discrepancy within 60 days of receipt of written notification. Should additional information be required to resolve disputes, the Division will cooperate with the Manufacturer in obtaining the additional information.

6.4 In the event that the Division and the Manufacturer are not able to resolve a discrepancy regarding State Utilization Data as provided for in Sections 6.1 through 6.3, the Manufacturer may request a reconsideration of the Division's determination within 30 days after the end of the 60 day period identified in Section 6.3. The Manufacturer shall submit to the Division, along with its written request, its argument in writing, along with any other materials, supporting its position.

6.5 In the event that the Division and the Manufacturer are unable to resolve a discrepancy regarding State Utilization Data as provided for in Sections 6.1 through 6.4, the parties will utilize the same State procedure that is used to resolve disputes under the Medicaid Rebate program, consistent with CMS' Best Practices Guide for Dispute Resolution Under the Medicaid Drug Rebate Program.

7. CONFIDENTIALITY PROVISIONS

7.1 Subject to 42 U.S.C. 1396r-8(b)(3)(D), other relevant federal and state laws, and the parties agreement herein, the parties agree that this Agreement and all information provided pursuant to this Agreement will not be disclosed and that the parties will not duplicate or use the information, except in connection with this Agreement or as may be required by judicial order. The parties further agree that any information provided by Manufacturer to the State, the Division or any agent of either party pursuant to this Agreement and this Agreement itself constitute confidential commercial and financial information not subject to public disclosure. Furthermore, all pricing and other confidential information will not be released to any person or entity not a party or agent of a party to this Agreement. Confidential information, including but not limited to trade secrets, Best Price information, Net Cost information, AMP, other pricing information, utilization data and this Agreement itself will not be disclosed, or used except in connection with this Agreement or as may be required by statute, regulation, or judicial order. In the event an attempt is made to compel either party to divulge confidential and/or proprietary information related to this Agreement, said party shall notify the other party to this Agreement in a prompt manner to allow the other party to seek injunctive or other relief prohibiting the disclosure of such information.

7.2 The Manufacturer will hold the State Utilization Data confidential. If the Manufacturer audits this information or receives further information on such data, that information shall also be held confidential. The Manufacturer shall have the right to disclose State Utilization Data to auditors who must agree to keep such information confidential.

7.3 Notwithstanding the non-renewal or termination of this Agreement for any reason, these confidentiality provisions will remain in full force and effect.

8 NON-RENEWAL or TERMINATION

8.1 This Agreement shall be effective the **1st** day of **April 2022**, and shall have the **Twelve (12)** month term indicated in Section 4.2, *supra*. This Agreement shall automatically

renew for additional one-year terms unless one party hereto provides the other, on or before ninety (90) days prior to the then current expiration date of this Agreement, written notice of said party's intent not to renew this Agreement. Nothing contained herein shall prevent Manufacturer and State from mutually agreeing to the amending of this Agreement to increase the Rebates and/or add additional Covered Products to this Agreement.

- 8.2 Notwithstanding any non-renewal or termination of this Agreement, Rebates shall continue to be due and payable from the Manufacturer under Section 4.1 for any Covered Product(s) utilization for which the Division's obligation to reimburse arose prior to the effective date of termination of this Agreement.
- 8.3 Notwithstanding any other provision to the contrary, either party may terminate this Agreement at any time by providing the other party with no less than ninety (90) days advance written notice.
- 8.4 In the event CMS, a court of competent jurisdiction, or any other legislative or regulatory body with appropriate jurisdiction determines that the Rebates provided for herein are illegal or affect Manufacturer's Best Price, Manufacturer may cancel this Agreement immediately by providing the Division with written notice. Said notice shall cite this section of the Agreement and shall include an appropriate reference to the ruling, statute or decision that forms the basis of Manufacturer's right to terminate under this section.

9 GENERAL PROVISIONS

9.1 This Agreement will be construed and interpreted in accordance with the laws of the State of Missouri and 42 U.S.C. §1396r-8.

9.2 Any notice required to be given pursuant to the terms and provisions of this Agreement will be in writing and will be sent by certified mail, return receipt requested or via overnight courier. Notice to the Division will be sent to:

Attn: Josh Moore, Pharm.D, Director of Pharmacy
MO HealthNet Division
615 Howerton Ct, 2nd Floor
Jefferson City, MO 65109

9.3 Notice to Manufacturer will be sent to:

(Name)

(Title)

(MFT Name)

(Street Address)

(City, State Zip Code)

9.4 Nothing herein shall be construed or interpreted as limiting or otherwise affecting the State's or Manufacturer's ability to pursue its rights arising out of the terms and conditions of the Agreement in the event that a dispute between the parties is not otherwise resolved. Proper venue and jurisdiction for any legal action relating to this Agreement shall be in the Circuit Court of Cole County Missouri.

9.5 Manufacturer and the agents and employees of Manufacturer in the performance of this Agreement, will act in an independent capacity and not as officers, employees or agents of the State.

- 9.6 Manufacturer may not assign this Agreement, either in whole or in part, without the written consent of the Division except as provided for in Section 4.6. However, in the event of a transfer in ownership of the Manufacturer, the Agreement is automatically assigned to the new owner, subject to the terms and conditions of this Agreement. If the Agreement is assigned pursuant to this Section, Manufacturer shall provide the Division with an update of the information contained in Section 9.3, *supra*.
- 9.7 Nothing in this Agreement will be construed so as to require the commission of any act contrary to law. If any provision of this Agreement is found to be invalid or illegal by a court of law, or inconsistent with federal or state requirements, this Agreement will be construed in all respects as if any invalid, unenforceable, or inconsistent provision were eliminated, and without any effect on any other provision. The parties agree to negotiate replacement provisions, to afford the parties as much of the benefit of their original bargain as is possible.
- 9.8 The Division and Manufacturer declare that this Agreement, including attachments and Addenda/Addendum, contains a total integration of all rights and obligations of both parties. There are no extrinsic conditions, collateral agreements or undertakings of any kind. In regarding this Agreement as the full and final expression of their contract, it is the express intention of both parties that any and all prior or contemporaneous agreements, promises, negotiations or representations, either oral or written, relating to the subject matter and period of time governed by this Agreement which are not expressly set forth herein are to have no force, effect, or legal consequences of any kind.
- 9.9 This Agreement will not be altered except by an amendment in writing signed by both parties. No individual is authorized to alter or vary the terms or make any representation or inducement relative to it, unless the alteration appears by way of a written amendment, signed by duly appointed representatives of the Division and Manufacturer.
- 9.10 Neither party contemplates any circumstances under which indemnification of the other party would arise. Nevertheless, should such circumstances arise, Manufacturer agrees to indemnify, defend and hold harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Manufacturer's negligent or willful misconduct in the

performance of this Agreement. State must provide Manufacturer with prompt written notice of any claim or action alleging such liability and State must cooperate fully in the defense of such claim or action. Manufacturer is authorized to manage and defend such claim or action and no such claim or action may be compromised or settled without the prior written approval of Manufacturer unless State first relieves Manufacturer of its liability hereunder.

For Reference Only

As evidence of their Agreement to the foregoing terms and conditions the parties have signed below.

STATE OF MISSOURI, HEALTHNET DIVISION

By: _____

Date: _____

Name: Josh Moore, Pharm.D.

Title: Director of Pharmacy

MANUFACTURER: **MFT Name**

By: _____

Date: _____

Name: _____

Title: _____

For Reference Only

ADDENDUM A

This Addendum A dated the **1st** day of **April, 2022**, to the Missouri Diabetic Testing Supply and Insulin Syringe Rebate Agreement dated **April 1, 2022** (the "Agreement") between the Missouri ("State"), represented by the MO HealthNet Division ("Division"), and **MFT Name** (Manufacturer), Labeler Code(s) **XXXXX** provides as follows:

The Rebate Amount Per Unit for each NDC of a Covered Product is calculated according to the following formula:

$$\text{Rebate Amount Per Unit} = \text{WAC per Unit} \text{ minus } \text{Net Cost Per Unit.}$$

Where the Net Cost Per Unit ("Net Cost") equals the per unit cost negotiated and agreed upon by Department and Manufacturer as set forth in the table below; and

Where the Rebate Amount Per Unit will be greater than or equal to zero.

State and Manufacturer agree that the Manufacturer's Covered Products set forth herein are the Covered Products that are the subject of this Agreement and that the Net Cost of each Covered Product included in this Agreement will be as set forth in the table below:

Covered Product (product name)	Package Size	Unit Type	NDC-11	Net Cost Per Unit	Position

Manufacturer warrants and agrees that this Agreement includes and encompasses all NDC's currently available for each Covered Product. In the event an additional NDC, that is not included in this Agreement, becomes available for a Covered Product, Manufacturer agrees that it will extend an offer to amend this Addendum A to include the new NDC(s) at Net Cost(s) that are equivalent to the Net Cost(s) of the other NDC(s) of the Covered Product.

For Reference Only

As evidence of their Agreement to the foregoing terms and conditions the parties have signed below.

STATE OF MISSOURI, HEALTHNET DIVISION

By: _____

Date: _____

Name: Josh Moore, Pharm.D.

Title: Director of Pharmacy

MANUFACTURER: **MFT Name**

By: _____

Date: _____

Name: _____

Title: _____

For Reference Only

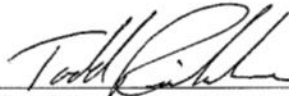
AFFIDAVIT

STATE OF MISSOURI)

) ss.

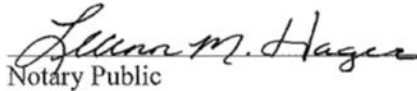
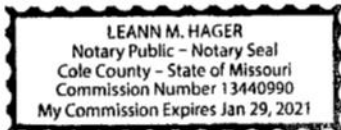
COUNTY OF COLE)

I, Todd Richardson, Director of MO HealthNet Division, authorize Joshua Moore, Pharm.D., Director of Pharmacy, to approve and sign on my behalf all rebate agreements between the MO HealthNet Division and pharmaceutical products manufacturers, as well as all other documents necessary for administering the MO HealthNet Pharmacy Program and preferred drug list. I hereby revoke all prior designations regarding the MO HealthNet Pharmacy Program. This designation is effective immediately and ends December 31, 2021 or upon revocation.



Todd Richardson, Director
MO HealthNet Division

Subscribed and sworn to before me, a Notary Public, this 1 day of December 2020.


Notary Public

My commission expires: 1/29/2021