

**Drug and Diabetic Supply Rebate Administration RFP
Attachment H**

Rebate, EPIC Pricing Matrix January 2010 – Impact of Patient Protection and Affordable Care Act on Medicaid Drug Rebates

<p align="center"><u>04/02/2010</u></p> <p align="center">NYS EPIC Manufacturers Rebate Program</p>			For Rebate Periods: 2002Q2 – 2007Q3		For Rebate Periods: 2007Q4 – 2009Q4		For Rebate Periods: 2010Q1 – Present	
			<p align="center">Note: EPIC’s rebate calculation is identical to the federal Medicaid calculation for these periods.</p>					
Data Element Name	Data Source*	Required for	DEM < 10/1/1990	DEM = or > 10/1/1990	DEM < 07/01/2007	DEM = or > 07/01/2007	DEM < 07/01/2007	DEM = or > 07/01/2007
Baseline AMP		Innovator & Sole Source	<p>AMP for 1990Q3</p> <p>Reported as “Baseline AMP Data” on quarterly pricing data. (Must update quarterly for revisions.)</p>		<p>If DRA Base AMP is not present</p> <p>AMP for 1990Q3 for DEM < 10/01/1990</p> <p>Reported as “Baseline AMP Data” on quarterly pricing data. (Must update quarterly for revisions.)</p>		<p>If DRA Base AMP is not present</p> <p>AMP for 1990Q3 for DEM < 10/01/1990</p> <p>Reported as “Baseline AMP Data” on quarterly pricing data. (Must update quarterly for revisions.)</p>	
Base Quarter AMP	Quarterly pricing data	Innovator & Sole Source		<p>AMP for the first full quarter after the drug’s DEM.</p> <p>Requires interpretation of DEM & AMP data. (Must process all data, even beyond 3 years, to capture Baseline AMP revisions.)</p>	<p>If DRA Base AMP is not present</p> <p>AMP for the first full quarter after the drug’s DEM.</p> <p>Requires interpretation of DEM & AMP data. (Must process all data, even beyond 3 years, to capture Baseline AMP revisions.)</p>	<p>AMP for the first full quarter after the drug’s DEM.</p> <p>Requires interpretation of DEM & AMP data. (Must process all data, even beyond 3 years, to capture Baseline AMP revisions.)</p>	<p>If DRA Base AMP is not present</p> <p>AMP for the first full quarter after the drug’s DEM.</p> <p>Requires interpretation of DEM & AMP data. (Must process all data, even beyond 3 years, to capture Baseline AMP revisions.)</p>	<p>AMP for the first full quarter after the drug’s DEM.</p> <p>Requires interpretation of DEM & AMP data. (Must process all data, even beyond 3 years, to capture Baseline AMP revisions.)</p>

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DRA Base AMP	Quarterly pricing data	Innovator & Sole Source			Reported as DRA Base AMP on quarterly (begin 4Q07 to 3Q08) product data. Requires interpretation of DEM & AMP data. (Must process all data, even beyond 3 years, to capture DRA Base AMP revisions. Rebate re-calculation is PROSPECTIVE, not Retroactive**)		Reported as DRA Base AMP on quarterly (begin 4Q07 to 3Q08) product data. Requires interpretation of DEM & AMP data. (Must process all data, even beyond 3 years, to capture DRA Base AMP revisions. Rebate re-calculation is PROSPECTIVE, not Retroactive**)	
Baseline CPI-U	US Dept of Labor (DOL), Bureau of Labor Statistic (BLS)	Innovator & Sole Source	CPI-U for Sept. 1990 (always 132.7)	The CPI-U for the month prior to the first quarter after the drug's DEM.	DEM < 10/1/1990 CPI-U for Sept. 1990 (always 132.7) DEM > or = 10/1/1990 The CPI-U for the month prior to the first quarter after the drug's DEM.	The CPI-U for the month prior to the first quarter after the drug's DEM.	DEM < 10/1/1990 CPI-U for Sept. 1990 (always 132.7) DEM > or = 10/1/1990 The CPI-U for the month prior to the first quarter after the drug's DEM.	The CPI-U for the month prior to the first quarter after the drug's DEM.
Quarterly AMP	Quarterly pricing data	All drugs (I, S & N)	AMP for the quarter being calculated.					
Quarterly BP	Quarterly pricing data	Innovator & Sole Source	BP for the quarter being calculated.					
Quarterly CPI-U	Federal DOL BLS	Innovator & Sole Source	The CPI-U value for the month prior to quarter being calculated.					

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Innovator Code	Quarterly pricing data, if not provided use Exception file, then drug file	All drugs(I,S,N)	Required		Required		Required	
Date Entered Market	Quarterly pricing data then exception file then drug file	All drugs(I,S&N)	Required		Required		Required	
Base Qtr	Determined Based on Date Entered Market	Innovator and Sole Source	If DEM < 10/01/1990, Base Qtr = 1990-3	If DEM > or = 10/01/1990, Base Qtr is the first Full quarter after the DEM	If DEM < 10/01/1990, Base Qtr = 1990-3 or If DEM > or = 10/1/1990 and < 07/01/2007, Base qtr is the first full quarter after DEM	If DEM > or = 07/01/2007, Base qtr is the first full quarter after DEM	If DEM < 10/01/1990, Base Qtr = 1990-3 or If DEM > or = 10/1/1990 and < 07/01/2007, Base qtr is the first full quarter after DEM	If DEM > or = 07/01/2007, Base qtr is the first full quarter after DEM
Additional URA	Calculated based on CMS specifications	Innovator and Sole Source	Formula is as follows: Result1 = Baseline Amp / Baseline CPI-U Result2 = Result1 X Quarterly CPI-U If Result2 < Quarterly AMP then Additional URA= Quarterly AMP minus Result2. If Result2 >= Quarterly AMP, Additional URA = 0	Formula is as follows: Result1 = Base Quarter AMP / Baseline CPI-U Result2 = Result1 X Quarterly CPI-U If Result2 < Quarterly AMP then Additional URA= Quarterly AMP minus Result2. If Result2 >= Quarterly AMP, Additional URA = 0	Formula is as follows: Result1 = DRA Base AMP (or Baseline AMP, or Base Quarter AMP) / Baseline CPI-U Result2 = Result1 X Quarterly CPI-U If Result2 < Quarterly AMP then Additional URA= Quarterly AMP minus Result2. If Result2 >= Quarterly AMP then Additional URA= Quarterly AMP minus Result2. If Result2 >= Quarterly AMP, Additional URA = 0	Formula is as follows: Result1 = Base Quarter Amp / Baseline CPI-U Result2 = Result1 X Quarterly CPI-U If Result2 < Quarterly AMP then Additional URA= Quarterly AMP minus Result2. If Result2 >= Quarterly AMP, Additional URA = 0	Formula is as follows: Result1 = DRA Base AMP (or Baseline AMP, or Base Quarter AMP) / Baseline CPI-U Result2 = Result1 X Quarterly CPI-U If Result2 < Quarterly AMP then Additional URA= Quarterly AMP minus Result2. If Result2 >= Quarterly AMP, Additional URA = 0	Formula is as follows: Result1 = Base Quarter Amp / Baseline CPI-U Result2 = Result1 X Quarterly CPI-U If Result2 < Quarterly AMP then Additional URA= Quarterly AMP minus Result2. If Result2 >= Quarterly AMP, Additional URA = 0

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Basic URA	Calculated	All drugs(I,S,N)	For IC=N, Basic URA = Quarterly AMP X 11%, For IC= I or S, Basic URA = the greater of the two: Quarterly AMP X 15.1% or Quarterly AMP minus Best Price	For IC=N, Basic URA = Quarterly AMP X 11%, For IC= I or S, Basic URA = the greater of the two: Quarterly AMP X 15.1% or Quarterly AMP minus Best Price	For IC=N, Basic URA = Quarterly AMP X 11%, For IC= I or S, Basic URA = the greater of the two: Quarterly AMP X 15.1% or Quarterly AMP minus Best Price	For IC=N, Basic URA = Quarterly AMP X 13%, For IC= I or S, Basic URA = the greater of the two: Quarterly AMP X 23.1% or Quarterly AMP minus Best Price
TOTAL URA	Calculated	All Drugs(I,S,N)	For Non Innovators, Total URA = Basic URA. For I and S drugs, Total URA = Basic URA + Additional URA	For Non Innovators, Total URA = Basic URA. For I and S drugs, Total URA = Basic URA + Additional URA	For Non Innovators, Total URA = Basic URA. For I and S drugs, Total URA = Basic URA + Additional URA	For Non Innovators, Total URA = Basic URA. For I and S drugs, Total URA = Basic URA + Additional URA <u>URA cap at 100% of AMP</u> <u>URA can't be greater than 100% of AMP</u>

- **Health Care and Education Affordability Reconciliation Act of 2010 increases the minimum Federal Rebate for the following effective January 1, 2010:**
- **Phase 1 needs to be implemented as Day 1 after signing the agreement.**
 - **Single source and innovator multiple source drugs changed from 15.1 % to 23.1 percent (phase 1)**
 - **Generic drug changed from 11% to 13% (phase 1)**
 - **URA cap at 100% of AMP (URA can't be greater than 100% of AMP, (phase 1))**
- **The phase 2 change is targeted for implementation after CMS has published additional guidance.**
 - **17.1% base rebate for blood clotting and pediatric use products (phase 2)**
 - **Alternative additional rebate for “new formulations” of existing products (phase 2)**