

Dear Pharmaceutical Manufacturer:

On October 12, 2023, the Texas Drug Utilization Review Board will review the drug products listed on the attached document <TXM_Classes_For_Review_October_2023.pdf>. This file will also be posted on our web site at <https://www1.magellanrx.com/preferred-drug-list-programs/manufacturer-hub/single-state-programs/>.

On behalf of Texas HHSC and in preparation for this review, Magellan Medicaid Administration (MMA) invites you to submit supplemental rebate offers for these drug products. Please submit offers via the Provider Synergies Secure FTP site (<https://secureftp.providersynergies.com>) using the attached Offer Form, which is also available on our website at <https://www1.magellanrx.com/preferred-drug-list-programs/manufacturer-hub/single-state-programs/>.

To complete the Offer Form, you must detach or download the Offer Form file to your local PC. All best and final offers are due by:

5:00 p.m. EST on Friday, September 1, 2023.

Only those offers submitted via the Secure FTP using the Offer Form referenced above will be considered for this review. Please only submit offers on products solicited and in FDB.

Note that, pursuant to Texas Statutes Chapter 531, Government Code, §531.070(m), all supplemental rebate offers must be submitted using Average Manufacturer Price (AMP).

The GNUP is calculated as:

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

NOTICE REGARDING MANAGED CARE PHARMACY BENEFIT

Please note the requirement of Texas House Bill 1283 from the 88th Texas Legislative, Regular Session impacts the Texas Medicaid program and the Preferred Drug List (PDL). As a result of the requirement the entire Medicaid population follows the Texas Medicaid Fee-For-Service (FFS) PDL, including all prior authorization procedures and criteria, any and all supplemental rebates resulting from offers pursuant to this and subsequent solicitations will be applied to all outpatient drug utilization by Texas Medicaid recipients, regardless of whether the recipient receives the pharmacy benefit through the FFS program or through a non-FFS Medicaid program has been extended until August 31, 2033. Please refer to 88(R) HB 1283 - Enrolled version - Bill Text (texas.gov) for more details.

Offers including language that prohibits the inclusion of non-FFS Medicaid pharmacy utilization in that which is eligible for supplemental rebates will not be accepted.

OFFER PREPARATION AND SUBMISSION

Prior to receiving a SRA contract and placed on the Preferred Drug List (PDL), the state requires all Pharmaceutical Companies to be up to date with Vendor Checks according to state policy. Please check the status of your company within 5 (five) business days to ensure your company is complying.

The Texas Business Organizations Code mandates that all manufacturers must be registered with the Office of the Texas Secretary of State in order to execute a Supplemental Rebate Agreement with the state.

Registration can be verified at www.sos.state.tx.us/corp/sosda/index.shtml. For new registrations, go to www.sos.state.tx.us/corp/foreign_outofstate.shtml.

The following accounts MUST also be verified for your manufacturer on the following sites. The state will NOT execute a contract without the following steps completed:

- **Texas Secretary of State (SOS):** Ensure the manufacturer is registered on the TX SOS website at <https://direct.sos.state.tx.us/acct/acct-login.asp>. If an account does not exist, please create an SOSDirect Account and use it to register the manufacturer with the TX SOS. This can take from a few weeks to a month to be processed, and needs to be started as soon as possible to ensure there are no delays in the state's processing of the SRA. Any questions can be directed to corpinfo@sos.texas.gov or by phone at 512-463-5555.
- **Franchise Tax (Taxable Entity Search):** All manufacturers must confirm an ACTIVE status listed on the Taxable Entity Search. Contracts will NOT be signed by the State if not in an ACTIVE status. To confirm the status of your company, follow this link: <https://mycpa.cpa.state.tx.us/coa/>, and search by either the TX ID number or the Entity Name of your company.
 - If an accurate record for your entity is returned, select the details button and confirm the **“Right to Transact Business in Texas”** field is showing a status of ACTIVE. If so, please also confirm that the **“Effective SOS Registration Date”** contains a valid date and the **“Texas SOS File Number”** section lists the SOS number. If all of these are updated, this process is verified and complete. When returning the signed SRAs, **please include that this has been checked and confirmed.**
 - If an accurate record for your entity is returned but does NOT show ACTIVE in the **“Right to Transact Business in Texas”** field, or is missing the **“Effective SOS Registration Date”** or **“Texas SOS File Number”**, contact the Texas Comptroller's office at tax.help@cpa.texas.gov, or by phone at 1-800-252-1386, to resolve any outstanding discrepancies. **Please resolve the issue as quickly as possible and notify Arianna Rhine** (rhinea@magellanhealth.com) **when the status has returned to a status of ACTIVE.** Correcting a record on the Comptroller site can take a significant amount of time to be processed and needs to be acted on immediately to ensure that there are no delays in signing the contract.
 - If no record for your entity is returned, or the **“Effective SOS Registration Date”** and **“Texas SOS File Number”** sections are not correct, your company may not be registered with the TX Secretary of State. Contact the TX Secretary of State using the email or phone number mentioned above. **Please notify Arianna Rhine** (rhinea@magellanhealth.com) **when the account and status has been set up.**
- **System for Award Management (SAM):** Verify the manufacturer is registered on the federal SAM website (<https://www.sam.gov/SAM/pages/public/index.jsf>) by using the Search Records function listed. We are aware that many manufacturers do not have their account publicly searchable. If this is the case, please take a screenshot of the account status reflecting the Active listing and include it when you return the SRA and additional documents. If there is not currently a SAM account for your company, please first Create A User Account and then select to Register Entity. Once your portion is complete it can take up to 10 days or more to register the account, please complete it as soon as possible.

- Additionally, if you identify that your Pharmaceutical company has any outstanding issues with the following entities listed below, please notify us and address these issues in their entirety immediately.
 - <https://comptroller.texas.gov/purchasing/programs/vendor-performance-tracking/debarred-vendors.php>
 - <https://comptroller.texas.gov/purchasing/publications/divestment.php>
 - <https://sanctionssearch.ofac.treas.gov/>

The Vendor Drug Program has implemented clinical prior authorizations that may impact some of the drugs and/or drug classes included in this review. These prior authorizations, listed at <https://www.txvendordrug.com/formulary/prior-authorization>, should be considered when preparing and submitting offers.

HHSC encourages manufacturers to submit both open access and exclusive/limited access offers with enhanced rebates for exclusive and limited access (1 of 2, 1 of 3, etc.) offers. HHSC will not, however, accept bundled offers where the rebate for one product is contingent upon the inclusion of another product on the PDL (for example, the supplemental rebate on “Product A” and/or “Product B” is contingent upon the inclusion of “Product C” on the PDL in addition to either “Product A” or “Product B”).

House Bill 3286, 88th Legislative Session requires HHSC to adopt rules allowing exceptions to the Preferred Drug List when a recipient was prescribed and is taking a non-preferred drug in the antidepressant and antipsychotic drug class and the recipient:

- (A) was prescribed the nonpreferred drug before being discharged from an inpatient facility;
- (B) is stable on the nonpreferred drug; and
- (C) is at risk of experiencing complications from switching from the nonpreferred drug to another drug;

For more details of the specific exceptions to the Texas Medicaid preferred drug list, refer to 88(R) HB 3286 - Enrolled version ([texas.gov](https://www.texas.gov)). The new exception criteria will be added to the PDL document and be effective with the biannual implementation after the adopted rules are final. The specific implementation date is forthcoming.

OFFER FORM INSTRUCTIONS

--Please direct questions regarding how to complete the Offer Form to David Carr via e-mail (carrd@magellanhealth.com).

--For help accessing and uploading your Offer Form to the Secure FTP site, please contact David Carr (carrd@magellanhealth.com). Requests for new user names and passwords, or requests to re-set existing user names and passwords should be submitted via e-mail to David Carr (carrd@magellanhealth.com). Usernames and passwords will not be provided over the telephone.

--Please submit offers only for the drug products included on the list referenced above. Offers for other drug products may be solicited at a later date if/when they are scheduled for review by the Drug Utilization Review Board

--Do not change the column heading names, or add additional columns, blank rows, or contingencies to the Offer Form. Doing so may cause your Offer Form data to be rejected or not recognized by our systems.

--Prior to submitting, please re-name the Offer Form file as TXM Your Company Offer Form.xls. For example "TXM XYZ Corporation Offer Form.xls". Using any other file nomenclature may cause your Offer Form to be rejected or not recognized by our systems.

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 www.providersynergies.com/services/medicaid/default.asp?content=ManufacturerContactForm.

Clinical data pertinent to the drugs being reviewed may be submitted to MMA in electronic format only. Information should be sent to Maryam Tabatabai, PharmD, MMA Director of Drug Information, via email (mtabatabai@magellanhealth.com).

Rebate offers are due no later than **5:00 p.m. EST on Friday, September 1, 2023**. For those drugs selected as preferred at this Drug Utilization Review Board meeting, **rebates will begin to accrue on January 1, 2024**. The term of the contract is one year.

Regards,

David Carr

Senior Health Informatics Analyst, PDL Analytics

Magellan Rx Management

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