

DATA MANAGEMENT

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Services to Procure Medicaid Supplemental Drug Rebate Bids

**TECHNICAL & COST PROPOSAL:
Requirements Clarifications**

**Prepared for the State of Vermont
Response to the SSDC RFP**

ORIGINAL

June 11, 2007

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Prepared by:

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June 11, 2007

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1 Introduction

Monday, June 11, 2007

Ann Rugg
Deputy Director
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, VT 05495

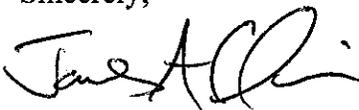
Dear Ms. Rugg,

On behalf of GHS Data Management (GHS), I am pleased to present the Office of Vermont Health Access with clarifications to our proposal regarding services for the Sovereign States Drug Consortium (SSDC). We apologize for any confusion caused on our part and hope you find our responses clear and concise.

GHS has prepared this request for clarifications by providing responses to the areas identified by the evaluators to be missing or lacking sufficient detail. There may be some sections or text from our proposal that will be duplicated within this response. These clarifications take precedence over any previous statement within our original proposal.

Our new and revised text has been shown in *italics*. Please find our responses on the following pages.

Sincerely,



James A. Clair,
CEO
GHS Data Management
45 Commerce Drive, Suite 5
PO Box 1090
Augusta, ME 04332-1090

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2 Transmittal Letter (*revised*)

Monday, June 11, 2007

Ann Rugg
Deputy Director
Office of Vermont Health Access
312 Hurricane Lane, Suite 201
Williston, VT 05495

Dear Ms. Rugg,

On behalf of GHS Data Management (GHS), I am pleased to present the Office of Vermont Health Access with our proposal to continue to provide supplemental drug rebate services for the Sovereign States Drug Consortium (SSDC). As instructed, we have included 1 original and 10 copies of our technical proposal and, separately, 1 original and 10 copies of our cost proposal. We have also included electronic copies of the technical proposal and cost proposal each on a separate CD as requested.

I will serve as the primary contact for this proposal and any subsequent contract negotiations. Our technical and cost proposals have been prepared to be in alignment with all RFP requirements. We accept all RFP requirements and contract terms and will work with you and the SSDC Member States to resolve any deficiencies brought to our attention.

GHS respects the desire for brief and concise responses, and we have endeavored to keep our proposal material within the Scope of Work, Section III to under 25 pages with the line spacing set to one. However, it is our practice to copy RFP requirements into the relevant proposal sections to aid in the evaluation the proposal, shown in smaller font, for reference only; we have also complied with the request to space lines by one and one-half. These additional references

from the RFP and spacing make the page count marginally beyond 25 pages, but will help evaluators align our responses to requirements.

In the following table, we have provided the specific information required by the RFP regarding GHS as a corporation.

1.	Complete Legal Name;	Goold Health Systems, Inc; doing business as GHS Data Management
2.	Mailing Address;	PO Box 1090 Augusta, Maine 04332-1090
3.	Street Address;	45 Commerce Drive, Suite 5 Augusta, Maine 04332
4.	Federal Employer Identification Number (FEIN);	01-0475134
5.	Name and Title of Contract Signer and Company Contact:	James A .Clair, CEO
6.	Key Individuals*	<p>James A. Clair 207-622-7153 x1127 jclair@ghsinc.com</p> <p>Dr. Timothy Clifford 207-622-7153 x1126 tclifford@ghsinc.com</p> <p>Dr. Laureen Biczak 207-622-7153 x1143 lbiczak@ghsinc.com</p> <p>John Grotton, R.PH. 207-622-7153 x1125 jgrotton@ghsinc.com</p> <p>Lori Bond, PharmD. 07-622-7153 x1112 lbond@ghsinc.com</p> <p>Kim Rackleff 207-622-7153 x1314 krackleff@ghsinc.com</p> <p>Donna Plourde 207-622-7153 x1309 dplourde@ghsinc.com</p>
	*The key individuals listed here may be reached via fax at 207-623-5125.	

Figure 2-1: GHS Data Management

GHS has read and accepts the performance standards in §III-M, liquidated damages identified in § V-H, and will take the necessary corrective actions to promptly bring any deviations into compliance. We affirm that 10% of the total contract amount may be retained as a surety of performance on a yearly basis.

GHS understands the desire to ensure that quality services are provided in a timely manner. We are confident in our ability to continue to provide exceptional service. As such, we have committed up to a total of 20% of the contract amount to be at risk, based on performance, as desired by the current members of the SSDC. GHS has included a point by point commitment for each area identified in §V-K.

GHS also provides the following certifications:

- The prices included have been arrived at independently, without consultation, communication, or agreement with any other bidder or with any competitor for the purpose of restricting competition unless otherwise required by law. The bidder prior to award has not knowingly disclosed the prices quoted, directly or indirectly to any other bidder or to any competitor. The price was arrived at without conflict of interest and our required bidder information sheet is included.*
- GHS agrees to the terms and conditions of the RFP, including those found in the appendices.*
- As Chief Executive Officer of GHS, I am authorized through Power of Attorney to negotiate on behalf of GHS and shall be responsible for the management of any potential contract. As an officer of this company, my signature has the authority to bind any contract that may result from negotiations with the State of Vermont, on behalf of the SSDC. I, or my designee, will also serve as the primary point of contact for all RFP-related communications needed between you and GHS.*
- I am responsible for the costs being offered in the proposal and have not, and shall not participate in any action contrary to our above statement on reaching independent pricing as included in our Cost Proposal.*

GHS is committed to continuing to build upon the successes of the SSDC over the last two years. The program is a success because of the unique public / private partnership involving the present member states and GHS. Our combined efforts in laying the groundwork for the pool then creating effective tools and systems implemented by our company have been instrumental in helping each State achieve maximum drug savings in the context of each State's individual PDL. We look forward to continuing to work with the SSDC to further expand, enhance, and nurture the pool.

Sincerely,



James A. Clair,
Chief Executive Officer
GHS Data Management
45 Commerce Drive
P.O. Box 1090
Augusta, Maine 04332-1090
800-832-9672
207-622-7153
207-242-2715 (cell)
207-623-5125 (fax)
jclair@ghsinc.com (email)

3 Affiliations

GHS has no known affiliations that will pertain to the work required by this RFP. GHS is affiliated with the Waldron Group of Companies, a management company that employs two of GHS' senior management team: James A. Clair, CEO & John Grotton, R.Ph., EVP/Pharmacy. It is important to note that neither Mr. Clair nor Mr. Grotton perform any other work for the Waldron Group outside of the services they provide for GHS Data Management. The Waldron Group is not the parent company, so financial statements are not required.

Another company within the Waldron Group is Community Pharmacies, LP (CPLP), a retail pharmacy chain with ten (10) stores in Maine. GHS and CPLP have entirely separate management teams and no direct affiliation, *but we did think it was important to disclose that one company within the Waldron Group is a small, retail pharmacy chain.*

Please see the following page for GHS' Business Organization Summary.

For additional clarity, we have added the table from our original proposal Section 2.1:

1.	Complete Legal Name and address;	Goold Health Systems, Inc; doing business as GHS Data Management
2	Headquarters Location;	45 Commerce Drive, Suite 5 Augusta, Maine 04332
3	Legal Form of Organization;	Corporation
4	State of Incorporation (if applicable);	Maine
5	Date of Incorporation (if applicable);	5/27/92 as Goold Health Systems
6	Licensing	We are currently licensed in two of the three SSDC states; we have no objection to obtaining licensing from the third state and any other states which may join SSDC
7	Subcontractors;	None used for this work
8	Financial Reports	Please see Attachment 1 (CONFIDENTIAL)*
9	Owners and subsidiaries	50% William G. Waldron, Jr.; 50%, Vickie Waldron Mulkern. GHS has no subsidiaries
10	Affiliations	Please see § 2.3
11	State of Vermont disclosure statement	Please see Attachment 2

4 Annual Audited Reports

GHS has provided a third year of financial statements included as Attachment 2.

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ATTACHMENT 1: Performance Metrics and Penalties

(The entire table below is new and not shown in *italics* for clarity)

Service Performance Standards	Guarantee	Description of Penalty and Frequency
1. Member States' utilization data compilation	Produce compilations within 2 work weeks of request	0.5% penalty per occurrence up to a maximum of 3% per calendar year
2. Rebate bid solicitation	Provide a vehicle to allow manufacturers to submit bids in a minimum 30-day time frame	0.5% penalty per manufacturer submittal if vehicle does not allow manufacturers to submit in 30-day timeframe, up to a maximum of 5% per calendar year.
3. Rebate bid presentation	Provide Member States with a bid presentation no later than: <ul style="list-style-type: none"> • weekly during bid year cycle • 10 days after the close of the bid solicitation • weekly for mid-year proposals 	0.5% penalty per occurrence from the date of a received, written request, up to 2% maximum per calendar year.
4. Rebate bid negotiation	Complete negotiations no later than 14 days after the Member State bid presentation	2% penalty per calendar year provided that the delays are the direct result of GHS failure to perform a contractual duty. Delays caused by manufacturer request or State intervention do not apply.
5. Bid selection notification	Notify manufacturers of the final disposition of their supplemental rebate offers no later than 7 days after the Member State bid presentation	1% penalty for notification between 7 to 10 days, 2% penalty for 10 to 20 days, and 3% maximum penalty > 20 days per calendar year.
6. General Administrative Functions	<ul style="list-style-type: none"> • Provide timely response to manufacturers contacts within 2 business days • Provide timely response to Member State contacts within 2 business days 	0.5% penalty per occurrence from the date of a received written request, up to a maximum of 5% per calendar year. Does not apply to State Holidays or in the event of delays outside the control of GHS.

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ATTACHMENT 2: Annual Audit Reports

The annual audit report for 2004 begins on the following page. All information is strictly CONFIDENTIAL and we request it only to be used during the evaluation process. The audits for 2005 and 2006 were included in our original submittal.

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