

Unknown

From: Stocker, Bonnie [HCS]
Sent: Wednesday, August 25, 1999 4:10 PM
To: Grant, Martine [HCS]
Cc: Moccio, Lorraine [HCS]; Shah, Sanjay P [HCS]; Griffin, Sue [HCS]
Subject: RE: Omnicare

Martine:

Regarding points 2 & 3 below, I would estimate a turn-around time by September 10th. We need to research the original contract prices offered, compare to list price at time of sale for each contract that Omnicare members purchased from, and add the possible additional rebate to Omnicare, in order to see if the 15% best price guideline would be violated. Please note our research would contain only "other contracted" sales information, we do not capture non-contracted activity that Omnicare may be doing. Please let me know if that timeframe works with your requirements.

For point 1, Martine, I need to understand how this is a contract payment related activity. From my point of view, it would seem to be a marketing development study - to measure the impact of a different Defined Market and different DACON, and not something to support getting the payment to the customer.

For your guide, originally Omnicare's Risperdal performance was measured based on the original Defined Market with limited competitors. From 2Q97 to 2Q98 Omnicare never exceeded Tier 1 (MS < 75%), which earned them a rebate of 2.0%. It is only from 3Q98 onward that Omnicare submitted competitor information based on the new Risperdal matrix with the expanded list of competitors. I believe that we did use 1.14 in 1Q99. Total rebates in both 1Q99 & 4Q98 needed to be reduced because the combined front end price and performance rebate exceeded 15%.

Let me know your thoughts. I understand the importance of your research in sustaining our relationship with Omnicare, but I also need to be sensitive to the other customer payment activities that our department supports.

Regards,

Bonnie K. Stocker

GPO/LTC Payments

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-----Original Message-----

From: Grant, Martine [HCS]
Sent: Wednesday, August 25, 1999 1:30 PM
To: Stocker, Bonnie [HCS]
Cc: Shah, Sanjay P [HCS]; Feroz Siddiqi, Anwar [JANUS]; Cummins, Bruce [JAN]; Butler, Dave [JAN]; Jones, Colleen [JAN]; Griffin, Sue [HCS]
Subject: Omnicare
Importance: High

Bonnie,

In further conducting due diligence for Omnicare's concern regarding rebates for non contracted sales, the Omnicare account team had the following questions/additional request:

1. What would the rebates for Risperdal be with DACON of 1.14 instead of 1.646 for the entire time period
2. What are the estimated rebates for other operating company besides Janssen?
3. Will the rebates identify set a new Best Price for any of the contracted products?

Please confirm that the above is clear and and let me know how much time your team will need to answer these questions?

Thanks.

Martine Grant

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