

From: Michael Dorsey </O=ONETEAM/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=MDORSEY>
To: Soojung Chung; Ara Aprahamian RPh
Sent: 10/17/2011 8:13:00 PM
Subject: RE: PBA - Charge backs on CII's

Soo,

The only thing we are changing is how PBA buys Direct from Actavis. Going from Contract Price less 10% quarterly rebate to WAC less Charge back to Contract Price with 10% quarterly rebate. Indirect Contracts (PBA Members buying Actavis products off the PBA-Actavis Indirect contract via HD Smith or Morrison-Dickson) will stay the same – no changes needed.

VIR: Will continue to be off Net Contract Sales.

We will need to establish a 'cut over' date, ie. 10/31/11. They'll need to send us an inventory report at the close of business so we can adjust the inventories' value. They then will need to cut us a check.

ARA: Please explain the difference between 867 and chargeback information? (Both provide DEA number, store name, address etc.)

Thanks,

Michael Dorsey
Director, National Accounts



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Internal VoIP number

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From: Soojung Chung
Sent: Monday, October 17, 2011 2:28 PM
To: Michael Dorsey; Ara Aprahamian RPh
Subject: RE: PBA - Charge backs on CII's

I'll start working on a new agreement for PBA – indirect only. (PBA to purchase at WAC.) The current agreement is set to expire June 30, 2012 (start date is 7.1.06).

How should NET pricing be done in the new agreement?

1. PBA's net direct pricing is lower than net indirect pricing. Do we keep indirect net pricing as is or do we lower it to the net direct pricing? (PBA's direct rebate is 10%) Usually net indirect pricing is higher b/c of wholesaler fees, but I'm not sure which products PBA will be purchasing from HD Smith/Morris Dickson versus PBA acting as the wholesaler...
2. PBA receives a 6% quarterly rebate on indirect purchases (3% quarterly rebate, 3% maintenance fee)
3. VIR?

Thank you,

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P-02407_00001

Soojung Chung
Contract Specialist



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From: Michael Dorsey
Sent: Friday, October 14, 2011 6:14 PM
To: Soojung Chung; Ara Aprahamian RPh; Rachelle Galant; Umesh Solanki; Michael Perfetto
Cc: Michael Dorsey
Subject: RE: Charge backs on CII's (PBA)

Soo,

Below is the contact person for PBA/Truecare's conversion from their current buying format to Chargebacks.

Please CC Rick Mingori on all communications with Clark.

Clark Balcom

clark.balcom@pbahealth.com

Executive Vice President, Chief Operating Officer 6300 Enterprise Road Kansas City, Missouri 64120 P
816.245.5700 F 816.245.5702

Products: All products will be moved to Chargeback. Can't have two different formats.
WAC: Will want to buy at WAC vs. current contract price less \$0.05.
Date: Need cut-over date (end of a month?)
PBA/TrueCare will take inventory and they cut us a check to 'true-up' their Existing inventory level.

Clark would like to have our IT contact so they can talk their language to Complete this project.

Question: (Ara/MP/Umesh) PBA/TrueCare can flick the switch on 852 (Inventory) & 867 (Sales out) within the hour. Their thinking is that with 867 we are able to see who they are selling to immediately. Their question is this: Can we ship them their Oxycodone open orders once they turn on 867? We will work towards Chargeback, but this will take weeks.

I would like to reach back out to them by Tuesday the 18th if possible.

Thanks,

Michael Dorsey
Director, National Accounts

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P-02407 _ 00002

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

From: Soojung Chung
Sent: Tuesday, October 11, 2011 11:27 AM
To: Michael Dorsey
Subject: RE: Charge backs on CII's (PBA)

Hi Mike

You are correct. PBA has indirect pricing on Fentanyl only - not on Oxycodone/Oxymorphone.

Thank you,
Soo

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

From: Michael Dorsey
Sent: Tuesday, October 11, 2011 11:25 AM
To: Soojung Chung
Subject: FW: Charge backs on CII's (PBA)

Soo,

Do we have an indirect contract for PBA/TrueCare on Oxycodone? Oxymorphone ER?

Michael Dorsey
Director, National Accounts

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

From: Michael Perfetto
Sent: Tuesday, October 11, 2011 8:36 AM
To: Ara Aprahamian RPh; Michael Dorsey
Cc: Rachelle Galant
Subject: Re: Charge backs on CII's (PBA)

Yes

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

From: Ara Aprahamian RPh
Sent: Tuesday, October 11, 2011 08:30 AM
To: Michael Dorsey; Michael Perfetto
Cc: Rachelle Galant
Subject: RE: Charge backs on CII's (PBA)

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P-02407 _ 00003

No CII's until we get converted to chargebacks. Glad to participate in their second wave but we can NOT ship CII's until the conversion.

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

From: Michael Dorsey
Sent: Monday, October 10, 2011 12:52 PM
To: Ara Aprahamian RPh; Michael Perfetto
Subject: FW: Charge backs on CII's (PBA)

What's our next step? - Mike

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

From: Clark Balcom [mailto:clark.balcom@pbahealth.com]
Sent: Monday, October 10, 2011 12:46 PM
To: Rick Mingori; Michael Dorsey
Cc: Fred Liner; Mark Waltrip; Nick Smock; Don Raby
Subject: RE: Charge backs on CII's

Mike,

We are currently underway with a small number of Phase-I chargeback pilot projects and have plans to scale these activities beginning January 1, 2012. Would Actavis be interested in becoming one of our Phase-II manufacturer partners in this effort? Note, we would look to implement chargebacks across the entire trade relationship and not solely for CII's alone.

In the meantime, I see that PBA Health does not currently provide Actavis with any EDI or DEA regulatory reporting. PBA currently offers both 852 and 867 daily EDI transmissions, which allows our manufacturer partners to have a complete and detailed global view of their inventory and sales out positions with respect to PBA Health. In addition, our Regulatory Compliance Team can provide you with copies of our monthly DEA audit reports that summarize any suspension or activation decisions PBA Health makes with regard to specific pharmacy accounts. We offer these capabilities to all of our manufacturer partners with most of our controlled substance manufacturers electing to activate both.

Please let me know if you would like to discuss in more detail.

Thanks.

Clark

Clark Balcom
Executive Vice President, Chief Operating Officer
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Visit us at: www.pbahealth.com

"Plans fail for lack of counsel, but with many advisers they succeed."

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From: Rick Mingori
Sent: Monday, October 10, 2011 11:08 AM
To: 'Michael Dorsey'
Cc: Clark Balcom; Fred Liner; Mark Waltrip; Nick Smock; Don Raby
Subject: RE: Charge backs on CII's

Mike-
I will forward this on to our IT Dept. to respond.

-----Original Message-----
From: Michael Dorsey [mailto:MDORSEY@actavis.com]
Sent: Friday, October 07, 2011 9:39 AM
To: Mark Waltrip; Rick Mingori
Subject: Charge backs on CII's

Rick and Mark,

Do you have the capability to do charge backs on CII's?

Thanks,

Mike Dorsey
Director, National Accounts
262.377.0874 (O)
262.421.4636 (F)
908.906.9838 (C)