

B. Contract Brand Infant Formula Rebate Procedures for Ohio

1. For the term of any contract awarded pursuant to this bid, the Contractor shall, in exchange for single supplier status, rebate monthly, a fixed amount per ounce of contract brand infant formula calculated by multiplying the rebate amount for that item, as determined according to Section III, Item A, paragraph 9, by the number of ounces redeemed during the valid period by WIC retail vendors located in WIC retail counties.
2. Payments due to the State shall be based on the number of ounces of infant formula redeemed.
3. The rebate amount applied to the infant formula shall be the rebate amount effective for that infant formula during the month of the first day of use of the food instrument on which the infant formula is specified.
4. The State WIC Agency shall produce a monthly report specifying the amount of infant formula identified as redeemed in the preceding month through the regular WIC payment system.
5. The State WIC Agency shall also produce a monthly report specifying the amount of infant formula redeemed through the State WIC Agency exception payment process.
6. The State WIC Agency shall submit an invoice based on Section III, Item B, paragraphs 4 and 5 and a copy of the reports to the Contractor within forty-five (45) calendar days after the end of the month for which the State WIC Agency is invoicing the Contractor for payment. The invoice shall contain the methodology and all data used to calculate the monthly rebate payment owed by the Contractor.
7. The State WIC Agency will adjust the invoice for partial redemptions, using the following method:
 - a. The State will generate a file containing a record of each WIC coupon with a contract brand infant formula food package that was redeemed during the month and paid by the State.
 - b. For each contract brand infant formula, the coupons/records with formula-only food packages will be separated from the coupons/records with food packages containing contract brand infant formula and other food items.
 - c. For each formula-only coupon/record for each contract brand infant formula, the amount paid per can will be calculated by dividing the amount paid by the State for the coupon by the number of cans of formula written on the coupon.
 - d. For each contract brand infant formula, the average amount paid per can will be calculated by summing the amount paid per can for all formula-only coupons within the file and dividing the sum by the number of formula-only coupons within the file.
 - e. For each coupon/record for each contract brand infant formula, the amount paid per can will be compared to the average amount paid per can.
 - f. For each coupon/record for each contract brand infant formula, if the amount paid per can for the coupon is less than the average amount paid per can, the number of cans written on the coupon will be partially reduced by a factor equal to the difference between the amount paid per can and the average amount paid per can divided by the average amount paid per can. The result of the factor multiplied by the number of cans on the coupon will be the partial number of cans estimated as not redeemed for that specific coupon.
 - g. The sum of the partial number of cans for all formula-only coupons for each contract brand infant formula will be calculated to arrive at the total estimated partial cans not redeemed for formula-only coupons for the specific contract brand infant formula redeemed during the month.
 - h. The ratio of partially redeemed cans to total cans for each contract brand infant formula will be calculated by dividing the sum in g, above, by the total number of cans written on formula-only coupons for the contract brand infant formula redeemed during the month and paid by the State.
 - i. For each contract brand infant formula, the total number of partial cans not redeemed during the month will be calculated by multiplying the ratio from h, above, by the total number of cans of the contract brand infant formula written on all coupons with food packages containing the contract brand infant formula that were redeemed during the month and paid by the State.
 - j. The rebate billed for each contract brand infant formula will be reduced by multiplying the total number of partial cans not redeemed during the month from i, above, by the contracted rebate amount per can.
8. For each Food Instrument that is redeemed during the month for which a rebate is invoiced and that includes contract brand infant formula, the State WIC Agency shall provide, to the Contractor, the following data that will enable the Contractor to verify the invoiced amount and the amount of partially redeemed cans:
 - a. The Food Instrument ID;
 - b. The Issue Date of Food Instrument;
 - c. The Food Instrument Valid Begin Date;
 - d. The specific contract brand infant formula redeemed;
 - e. The number of cans of contract brand infant formula redeemed, as printed on the Food Instrument;
 - f. The Food Instrument Process Date;
 - g. The dollar amount of the Food Instrument as submitted by the WIC retail vendor for redemption;
 - h. The actual amount paid to the WIC retail vendor for the redeemed Food Instrument.
9. The Contractor must notify the State WIC Agency of any dispute or error in the invoice within ninety (90) calendar days after receipt of the invoice. If the Contractor does not notify the State WIC Agency of a

discrepancy in the invoice within ninety (90) calendar days after receipt of the invoice, the invoice will be determined to be accurate and the Contractor shall waive the right to dispute the invoice.

10. In the event that the invoice submitted to the Contractor for payment is determined by the State WIC Agency to be inaccurate, a revised invoice will be submitted and the Contractor shall pay the State WIC Agency in accordance with Section III, Item B, paragraphs 9 and 11. If the Contractor identifies a discrepancy on the invoice, the State WIC Agency will respond to the Contractor with an answer or an update as to the status of their investigation into the discrepancy within twenty (20) State working days, although final resolution may take longer. The Contractor shall not withhold any rebate payments to the State WIC Agency.
11. The Contractor shall pay the State WIC Agency the amount indicated on the invoice specified above within thirty (30) calendar days after receipt of the invoice. Invoice accuracy shall solely be determined by the State WIC Agency, based on appropriate documentation provided by the State WIC Agency.
12. Because WIC retail vendors have thirty (30) days to submit Food Instruments for processing after the Food Instrument's valid period, the total exchanges for any given month may include Food Instruments from at least two issue months. In addition, USDA occasionally approves payment of coupons that may be expired at the time of submission. The Manufacturer agrees that infant formula identified on food instruments issued with a first day of use during the term of this Agreement, but not redeemed until after the date of expiration or termination of this Agreement, shall be rebate eligible.
13. The Contractor shall issue rebate payment checks payable to, "Treasurer, State of Ohio". Checks shall be mailed to the following address: Ohio Department of Health, P.O. Box 15278, Columbus, OH 43215-0278.