

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

PROOF OF CLAIM

1. Name of Debtor (Check Only One):

- Graceway Pharmaceuticals, LLC (11-13036)
- Graceway Pharma Holding Corp. (11-13037)
- Graceway Holdings, LLC (11-13038)
- Chester Valley Holdings, LLC (11-13039)
- Chester Valley Pharmaceuticals, LLC (11-13041)
- Graceway Canada Holdings, Inc. (11-13042)
- Graceway International, Inc. (11-13043)

This form should not be used to assert a claim for an administrative expense arising after the commencement of the case, which should be filed pursuant to 11 U.S.C. § 503. Additionally, this form should not be used to assert a claim under 11 U.S.C. § 503(b)(9), which should be filed pursuant to the 503(b)(9) Administration Order, entered on October 17, 2011 [Docket No. 122].

2. Name of Creditor (the person or other entity to whom the Debtor owes money or property): SelectHealth, Inc.

Name and address where notices should be sent:

SelectHealth, Inc.
5381 Green Street
Murray, UT 84123

Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number: _____
 (If known)

Filed on: _____

RECEIVED
 APR 16 2012
 BMC GROUP

If an amount is identified above, you have a claim scheduled by one of the Debtors as shown. Please review the bar date notice to determine whether you must file a proof of claim to preserve your rights. The bar date notice is available online at www.bmcgroup.com/graceway or upon request at the address on the back of this form.

Name and address where payment should be sent (if different from above):

Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check this box if you are the Debtor or trustee in this case.

Telephone number: (801) 442-7805

THIS SPACE IS FOR COURT USE ONLY

3. Amount of Claim as of Date Case Filed: \$ 1,426.28

If all or part of your claim is secured, complete item 6 below; however, if all of your claim is unsecured, do not complete item 6. If all or part of your claim is entitled to priority, complete item 7.

Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

4. Basis for Claim: Pharmaceutical Rebate
 (See instruction #4 on reverse side.)

5. Last four digits of any number by which creditor identifies Debtor: _____
 5a. Debtor may have scheduled account as: _____
 (See instruction #5a on reverse side.)

6. Secured Claim (See instruction #6 on reverse side.)
 Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: Real Estate Motor Vehicle Equipment Other

Describe:

Value of Property: \$ _____ Annual Interest Rate _____%

Amount of arrearage and other charges as of time case filed included in secured claim,

if any: \$ _____ Basis for perfection: _____

Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____

8. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. \$13.96

9. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 9 and definition of "redacted" on reverse side.)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain in an attachment.

7. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).

Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).

Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).

Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).

Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(_____).

Amount entitled to priority:

\$ _____

*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

10. Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

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Graceway Pharmaceuticals LLC



00255

Date: 4/12/12 Signature: [Signature]

Printed Name: Jeffrey Dunn

Graceway Pharmaceuticals Utilization Report

Summary

Account name: SelectHealth, Inc.

5381 Green Street

Murray, UT 84123

Reporting Period: 07/01/11 - 09/30/11

Rx Select Members: 459,185

Rx Core Members: 81,844

Rx Select	\$	634.87	No rebate requested for RxCore
Rx Core	\$	-	
TOTAL	\$	634.87	\$13.96 (\$620.91) company filed bankruptcy

Blank cells indicate zero utilization

Rx Core utilization added to the Rx Select market basket

@Gateway Pharmaceuticals Utilization Report

Rx Select

Account name: SelectHealth, Inc.

5331 Green Street
Murray, UT 84123

Reporting Period: 07/01/11 - 09/30/11

Rx Select Members: 459,185
Rx Core Members: 81,824

Product	NDC	# of Scripts	Units	wac	Inhalers	Rebate Percent	Rebate
MAXAIR AUTOHAER 200MCG	00089-0815-21	69	1022	\$ 6.95	0	7%	\$ -
MAXAIR AUTOHAER 200MCG	29336-0815-21	69	1022	\$ 8.8743	73	7%	\$ 634.87
Total:		69	1022		73		\$ 634.87

amt rcvd Difference
\$13.96 (\$620.91)

Market Basket	Rx	Mkt Shr
Maxair Autohaler	69	0.77%
Albuterol	552	0.00%
Proventil HFA	3095	6.17%
ProAir HFA	5037	34.57%
Ventolin HFA	199	56.27%
Xopenex HFA		2.22%
Total:	8,952	100.00%

No utilization of inhaler

Total Rebate: \$ 634.87

\$13.96 (\$620.91) company filed bankruptcy



Graceway Pharmaceuticals, LLC
222 Valley Creek Boulevard, Suite 300
Exton, Pennsylvania 19341
Phone: 267.948.0400
Fax: 267.948.0599

Corporate Headquarters
Bristol, Tennessee

VIA Fed Ex

January 4, 2012

SelectHealth, Inc.
Pharmacy Services
5381 Green Street 4th Floor
Murray, UT 84123

To Whom it May Concern;

Enclosed is a payment of \$ 13.96 for Commercial rebate claims for the third quarter 2011. This payment is \$ 621.12 less than claimed on the 3rd quarter 2011 invoice. Supporting documentation for the calculation of the reduced payment amount is attached. The rationale for the reduced amount follows:

On September 29, 2011, Graceway Pharmaceuticals, LLC, and several of its affiliated companies (collectively "Graceway"), filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court for the District of Delaware ("Bankruptcy Court"). Graceway has sold essentially all of its assets through an asset sale under section 363 of the Bankruptcy Code.

Graceway is generally prohibited by the Bankruptcy Code from making payments on claims arising prior to the bankruptcy filing ("pre-petition amounts"), except in connection with a plan of reorganization. At this time, the Debtors have no such approval to make any such payments; however Graceway will continue paying for post-petition claims in the ordinary course. Graceway has sold its product-related assets rather than reorganize and so the reorganization exception does not apply here.

~~Graceway's bankruptcy filing took place on September 29, 2011. Graceway therefore considers the last two days of the 91-day third quarter to be "post-petition" and has derived the "post-petition" amount due by applying a ratio of 2/91 to the total amount claimed. We have enclosed a summary to demonstrate the calculation of the reduced payment.~~

If you have any questions, please contact me at 484-753-3261.

Thank you,

Stephanie Kupski

Stephanie L. Kupski
Executive Director, Contract Management
267.948.0400, Ext. 20404

Attachments

Graceway Pharmaceuticals Utilization Report

Summary

Account name: SelectHealth, Inc.
5331 Green Street
Murray, UT 84123
Reporting Period: 10/01/11 - 12/31/11
Rx Select Members: 431,734
Rx Core Members: 81,172

Rx Select	\$	791.41	
Rx Core	\$	-	No rebate requested for RxCore
TOTAL	\$	791.41	

Blank cells indicate zero utilization
Rx Core utilization added to the Rx Select market basket

Graceway Pharmaceuticals Utilization Report

Rx Select

Account name: SelectHealth, Inc.

5381 Green Street

Murray, UT 84123

Reporting Period: 10/01/11 - 12/31/11

Rx Select Members: 431,734

Rx Core Members: 81,172

Product	NDC	# of Scripts	Units	wac	Inhalers	Rebate Percent	Rebate
MAXAIR AUTOH AER 200MCG	00089-0815-21	86	1274	\$ 6,9564	0	7%	\$ -
MAXAIR AUTOH AER 200MCG	29336-0815-21	86	1274	\$ 8,8743	91	7%	\$ 791.41
Total:		86	1274		91		\$ 791.41

Market Basket	Rx	Mkrt Shr
Maxair Autohaler	86	0.78%
Albuterol		0.00%
Proventil HFA	676	6.16%
ProAir HFA	3648	33.26%
Ventolin HFA	6317	57.59%
Xopenex HFA	241	2.20%
Total:	10,968	100.00%

No utilization of inhaler

Total Rebate: \$ 791.41



5381 Green Street 4th floor
Murray, UT 84123

April 12, 2012

BMC Group, Inc.
Attn: Graceway Pharmaceuticals Claims Processing
P.O. Box 3020
Chanhassen, MN 55317- 3020

To whom it may concern:

In regards to the Graceway Pharmaceuticals, LLC. bankruptcy Case No. 11-13036. SelectHealth, Inc. has submitted a claim form due to the MCO Rebate Agreement between Graceway Pharmaceuticals, LLC. and SelectHealth, Inc. The MCO Rebate Agreement was effective during the time period of January 1, 2011 through December 31, 2011 for which SelectHealth, Inc. is requesting rebate payments.

- Customer Contact: Sarah Johnson Contract Analyst (801) 442-7805
- Customer Contact E-mail Address: sarah.johnson@selecthealth.org

Kind Regards,

A handwritten signature in black ink, appearing to read "Jeff Dunn".

Jeffrey Dunn PharmD, MBA
Director, Managed Care Pharmacy Practice Residency Program
Formulary and Contract Manager
5381 Green Street 4th Floor
Murray, UT 84123
801-442-7984 (phone)
801-442-3006 (fax)

selecthealthSM

P.O. Box 30192
Salt Lake City, Utah 84130-0192

CERTIFIED MAILSM



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APR 16 2012

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Attn: Gracemay Pharma Claims

P.O. Box 3020

Chanhassen, MN 55317-3020