



Novartis Pharmaceuticals Corporation
Managed Markets Finance
One Health Plaza
East Hanover, NJ 07936-1080

October 30, 2020



Dear [REDACTED]

In follow-up to our previous communications on August 17th, we wanted to update you on additional steps we are taking regarding our 340B program integrity initiative. Upon careful consideration, we have decided to implement a more focused, criteria-based approach that we believe will reaffirm the program's intent to serve the uninsured and vulnerable, while preserving the sustainability of this vital program.

Importantly, all federal grantees, including Ryan White Clinics and Community Health Centers, will continue to receive 340B discounts exactly as they do today. Federal grantees already follow an established regulatory infrastructure that helps encourage them to share the benefits of the 340B program with patients in your community as intended.

For all other covered entities, beginning November 16, 2020, we will continue to honor contract pharmacy (CP) arrangements as long as the CP is located within a 40-mile radius of its parent facility for all Novartis Pharmaceuticals Corporation products. This geographic restriction seeks to take a common-sense approach to ensure the program benefits the intended communities and is consistent with other federal guidelines around hospitals and off-site affiliates.

Novartis continues to support the core mission of the 340B program to increase access to outpatient drugs among uninsured and vulnerable patients. We will continue to work alongside all stakeholders to advocate for the transparency, oversight and accountability reforms necessary for the 340B program to continue its mission as intended. As such, we continue to encourage all covered entities to voluntarily upload their claims data to the ESP™ platform, in an effort to increase transparency, mitigate instances of duplicative discounts and maintain the integrity and sustainability of this vital program.

We look forward to working collaboratively with you to further strengthen the 340B program. If you have any questions, please contact us at Novartis.340B@novartis.com.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Lopuch".

Daniel Lopuch
VP Novartis Managed Markets Finance