

July 1, 2022

Dear Customer,

I am writing to inform you that Bausch Health US, LLC (Bausch Health) is altering its approach to distributing products purchased at the 340B price. Effective August 1<sup>st</sup>, 2022, Bausch Health will ship products purchased at the 340B price exclusively to locations registered as a 340B covered entity or child site location affiliated with that covered entity. Covered entity contract pharmacies will no longer be eligible recipients for Bill To / Ship To replenishment orders.

To ensure all 340B covered entities can access Bausch Health products at the 340B price, any covered entity that does not have an in-house pharmacy capable of dispensing 340B purchased drugs to its patients may designate a single contract pharmacy location. Bausch Health is utilizing the 340B ESP™ platform to support this designation. 340B covered entities that do not have an in-house pharmacy and haven't already registered an account with 340B ESP™, can make their designations by visiting [www.340besp.com/designations](http://www.340besp.com/designations). Users that have registered an account with 340B ESP™ can designate a contract pharmacy by navigating to the Entity Profile tab. If you have questions regarding the change in our 340B distribution model, please contact us at [support@340Besp.com](mailto:support@340Besp.com).

Covered entities may also elect to submit 340B claims through 340B ESP™ for all utilization dispensed through contract pharmacies. Any covered entity that elects to submit its 340B claims will be allowed to continue Bill To / Ship To replenishment orders for its contract pharmacies. Covered entities that are interested in submitting 340B claims will need to register an account with 340B ESP™ and must submit the 340B claims within 45 days of the dispense date.

Contract pharmacies that are wholly owned by a 340B covered entity or have common ownership with a health system, will remain eligible to receive Bill To / Ship To replenishment orders of 340B priced drugs. These pharmacies must be registered with HRSA as a contract pharmacy of the 340B covered entity. To apply for a wholly owned contract pharmacy exemption, please visit [www.340besp.com/wholly\\_owned\\_application](http://www.340besp.com/wholly_owned_application), or click [www.340besp.com/resources](http://www.340besp.com/resources) for more information.

In support of a smooth transition to our new distribution model, 340B covered entities should work with their contract pharmacy administrators and wholesalers to process any outstanding Bill To / Ship To replenishment orders in advance of the August 1<sup>st</sup>, 2022 effective date. 340B contracts administered by our wholesalers will no longer support distribution of 340B purchased drugs to 340B contract pharmacies after July 31<sup>st</sup>, 2022.

Best regards,



Jeffery Hartness  
Senior Vice President, Market Access

## Frequently Asked Questions

### **Q: Which products are subject to Bausch Health's policy?**

A: Bausch Health's contract pharmacy policy applies to all of its branded and unbranded products. Covered entities may access the complete list of NDCs at <http://help.340besp.com/en/articles/4455011-what-ndcs-do-we-look-for>.

### **Q: My covered entity has a contract pharmacy relationship with a pharmacy that is owned by our health system. Is this pharmacy subject to Bausch Health's policy?**

A: No, contract pharmacies that are wholly owned by the covered entity or share common ownership with a health system are not subject to Bausch Health's policy and covered entities can ship 340B purchased drugs to their wholly owned contract pharmacies. However, 340B covered entities must apply for and receive an exemption for wholly owned contract pharmacies. To apply for a wholly owned contract pharmacy exemption, please visit [www.340besp.com/wholly\\_owned\\_application](http://www.340besp.com/wholly_owned_application).

### **Q: My covered entity has an in-house pharmacy that is capable of purchasing and dispensing Bausch Health drugs, but my entity doesn't use it to dispense Bausch Health drugs. Can my entity designate one contract pharmacy instead?**

A: No, under Bausch Health's policy, if a covered entity has an in-house pharmacy capable of dispensing 340B purchased products to eligible patients then the covered entity must use that pharmacy and cannot designate a contract pharmacy instead.

### **Q: My 340B covered entity has contract pharmacy arrangements with multiple locations of the same pharmacy (e.g. six different Accredo pharmacy locations). Can my entity designate all locations of the same pharmacy?**

A: No. Bausch Health's policy allows qualifying 340B covered entities (i.e., covered entities without an in-house pharmacy) to designate a single contract pharmacy location. Contract pharmacy locations are registered individually on the HRSA database and 340B covered entities are permitted to designate only a single contract pharmacy location which corresponds to a single contract pharmacy registration with HRSA. The only exception to the above is for contract pharmacies wholly owned by a 340B hospital or that have common ownership with a health system.

### **Q: How often can my covered entity change its contract pharmacy designation?**

A: Covered entities may change their contract pharmacy designation once every twelve (12) months (from the date of first designation) or more often as agreed to by Bausch Health and the covered entity (e.g. if the designated contract pharmacy relationship is terminated from the HRSA OPAIS database).

### **Q: How does my covered entity change its contract pharmacy designation?**

A. 340B covered entities can elect a single contract pharmacy every twelve (12) months. Changes to the single contract pharmacy can only be made by visiting [www.340Besp.com/designations](http://www.340Besp.com/designations). Users that have registered an account with 340B ESP™ can navigate to the Entity Profile tab to make their contract pharmacy designation.

**Q. Is Bausch Health requiring covered entities to have a HIN registered for the contract pharmacy that they designate?**

A. Yes, a contract pharmacy must have a HIN assigned to it in order for a covered entity to designate it as its single contract pharmacy. This information is important for Bausch Health to manage its process with its wholesalers.

**Q. If the contract pharmacy my covered entity wants to designate doesn't have a HIN, how does my entity get one?**

A: Bausch Health will not register a HIN on your behalf, however if you need guidance or more information on how to get a HIN assigned to your contract pharmacy, please reach out to [support@340besp.com](mailto:support@340besp.com). If you try to designate a contract pharmacy without a HIN in 340B ESP™, the system will notify you of this requirement and provide instructions for how to obtain a HIN.

**Q. How does my covered entity ensure that its eligible contract pharmacy locations take effect on August 1<sup>st</sup>, 2022?**

A. For a covered entity's eligible contract pharmacy locations to take effect on August 1<sup>st</sup>, 2022 the entity must designate or submit claims data by July 17<sup>th</sup>, 2022. After July 17<sup>th</sup>, please allow 10 business days for the eligible contract pharmacy locations to take effect.

**Q. How long does it take for my covered entity's eligible contract pharmacy locations to take effect after August 1<sup>st</sup>, 2022?**

A. Covered entities can take action to comply with Bausch Health's policy after it goes into effect on August 1<sup>st</sup>, 2022. After July 17<sup>th</sup>, 2022, please allow 10 business days for the eligible contract pharmacy locations to take effect.

**Q: My covered entity would like to submit 340B claims for its contract pharmacies and continue purchasing Bausch Health products at the 340B price. What does our entity need to do to begin submitting 340B claims?**

A: 340B covered entities that wish to submit 340B claims under Bausch Health's policy can do so by registering an account at [www.340Besp.com](http://www.340Besp.com). Users that have registered an account with 340B ESP™ can begin submitting 340B claims for Bausch Health by navigating to the Claims Data Submission tab. 340B claims must be submitted within 45 days of the date of dispense in order for the contract pharmacy to remain eligible to receive 340B purchased drugs.

**Q: My covered entity submitted 340B claims for a single contract pharmacy location. Will my entity now have access to all contract pharmacy locations?**

A: 340B covered entities that elect to submit 340B claims will gain access to 340B pricing for each individual contract pharmacy location for which it submits 340B claims. 340B covered entities may elect to submit 340B claims for additional contract pharmacy locations at any point and will gain access to 340B pricing within 10 business days of the claims data submission.

**Q: What happens if my organization does not provide 340B claims by the required date?**

A: If a covered entity elects not to submit claims data for its contract pharmacies, the covered entity may continue to purchase Bausch Health products at the 340B price for pharmacies registered on the 340B covered entity database. Covered entities that do not have an in-house pharmacy capable of dispensing 340B purchased products may designate a single contract pharmacy location OR covered entities may apply for a wholly owned contract pharmacy exemption to continue using their wholly owned contract pharmacies.