

April 3, 2023

*BY ELECTRONIC MAIL*

Dear Covered Entity:

In follow-up to our previous communications on August 17, 2020, and October 30, 2020, we are providing an update on additional steps that Novartis is taking as part of its 340B Drug Pricing Program. After careful consideration, we have decided to adjust our contract pharmacy policy to more closely match the 340B program's intended focus, while preserving the sustainability of this vital program.

For hospital covered entities, beginning on May 1, 2023, Novartis will ship all units ordered at the 340B discounted price directly to covered entities. Novartis will allow all covered entities without an in-house pharmacy to select one contract pharmacy location where Novartis will ship 340B discounted units.

In addition, Novartis will recognize any arrangements with contract pharmacies that are fully owned and controlled by a covered entity.

All federal grantee covered entities continue to be exempt from our contract pharmacy policy.


This change will not affect patient access to prescribed medicines. Nor will it affect a covered entity's ability to continue to benefit from the 340B discount.

Novartis continues to support the core mission of the 340B program to increase access to outpatient drugs by uninsured, low-income, and other vulnerable patients. We will continue to work alongside other 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 otherwise help maintain the integrity and sustainability of this vital program.

For covered entities that do not have an in-house pharmacy and seek to designate a contract pharmacy location, please go to <https://www.340besp.com/designations> and complete the online form.

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](mailto:Novartis.340B@novartis.com).

Sincerely,

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