



Incyte Corporation
1801 Augustine Cut-Off
Wilmington, DE 19803
Tel: 302.498.6700
Web: www.incyte.com

September 18, 2023

Dear 340B Covered Entity,

I am writing to inform you that Incyte Corp. ("Incyte") is altering its 340B policy for Opzelura® (ruxolitinib) cream 1.5% (OPZELURA). Effective October 16, 2023, subject to certain exemptions set forth below, Incyte will provide OPZELURA purchased at the 340B discounted price only to locations registered as a 340B covered entity or child site location. Except as permitted below, pharmacies registered as a contract pharmacy will no longer be provided Bill To / Ship To replenishment orders of OPZELURA.

What is not changing? Patients will continue to have uninterrupted access to OPZELURA. All covered entities will continue to be able to purchase OPZELURA at the 340B price and have it delivered to locations that are properly registered as a 340B covered entity or child site on the HRSA website. Covered entities will be offered, and may purchase, as much Incyte OPZELURA at the 340B price as desired, provided it is shipped to the covered entity location.

Incyte is voluntarily exempting from this change contract pharmacy arrangements with covered entities that participate in the 340B program under 42 U.S.C. § 256b(a)(4)(A)-(K)—commonly known as federal "grantees." For contract pharmacies that have arrangements with these covered entities, Incyte will continue to provide OPZELURA purchased at the 340B price to multiple contract pharmacies. Grantee covered entities will still be permitted to utilize contract pharmacies for OPZELURA.

What is changing for *hospital covered entities*? Starting October 16, 2023, except for the limited exceptions described below or in the attached FAQs, hospital covered entities with an in-house outpatient pharmacy will no longer be eligible to place bill to/ ship to replenishment orders of 340B priced OPZELURA for contract pharmacies, including wholly owned/commonly owned contract pharmacies. 340B contract pharmacies that are wholly owned by a covered entity subject to the Incyte policy, or are under common ownership with a health system, will NOT continue to be provided "Bill To / Ship To" replenishment orders of 340B priced drugs.

A hospital covered entity *without* an in-house outpatient pharmacy may designate one contract pharmacy location. Incyte will facilitate bill to/ship to orders of 340B priced OPZELURA to that location only; provided that, the one designated contract pharmacy is located within 40 miles of the HRSA registered covered entity parent site. Incyte is committed to ensuring that each hospital covered entity has at least one pharmacy location where it can receive shipments of 340B discounted OPZELURA. If a hospital covered entity is unable to identify an eligible contract pharmacy within 40 miles, Incyte will work with the covered entity to identify a suitable alternative.

If you are a hospital covered entity without an in-house outpatient pharmacy, please designate one contract pharmacy location for Incyte's updated policy by October 6, 2023 by visiting 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. For details on accessing the exceptions to this policy, please see the attached FAQs.

What is changing for *federal grantee covered entities*? There is **no change** for federal grantee covered entities, such as community health centers, federally-qualified health centers and Ryan White clinics. Federal grantee covered entities will continue to be eligible to place bill to/ ship to replenishment orders of 340B priced OPZELURA for their contract pharmacies.

In support of a smooth transition to our new policy, 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 October 16, 2023 effective date. 340B contracts administered by our wholesalers will no longer support provision of drugs purchased at the 340B discount price to contract pharmacies after October 16, 2023.

Please reach out to support@340besp.com if you have questions about our updated policy.

Regards,

A handwritten signature in black ink that reads "Julie C. Fagnoli". The signature is written in a cursive style with a large initial 'J'.

Julie Fagnoli, MBA

Vice President of Market Access, Dermatology

Incyte Covered Products

Product Name	NDC	Pkg Qty	Each Size/Description
Opzelura	50881-0007-05	1 (tube)	60 gram tube

FAQ

Q: Which products are subject to Incyte's policy?

A: The policy applies to Opzelura® (ruxolitinib) cream 1.5% ("OPZELURA") attached to this FAQ ("Incyte Covered Products").

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

A: All contract pharmacies, including 340B contract pharmacies that are wholly owned by a covered entity, will NOT continue to be provided "Bill To / Ship To" replenishment orders of 340B priced drugs. A hospital covered entity without an in-house outpatient pharmacy may designate one contract pharmacy location, including a wholly owned pharmacy, by visiting www.340BESP.com/designations.

Q: I have an in-house pharmacy that is capable of purchasing and dispensing OPZELURA, but I don't use it to dispense OPZELURA. Can I designate one contract pharmacy instead?

A: No, under Incyte's policy, if a covered entity has an in-house pharmacy capable of purchasing and dispensing OPZELURA, the entity must use that pharmacy and cannot designate a contract pharmacy to purchase OPZELURA at the 340B price instead.

Q: What if my covered entity does not have an outpatient pharmacy at the location registered as a parent or child site on the 340B covered entity database?

If your covered entity does not have an in-house outpatient pharmacy capable of dispensing OPZELURA, your entity may designate a single contract pharmacy location and Incyte will facilitate bill to/ ship to replenishment orders of OPZELURA at the 340B price to that contract pharmacy; *provided that*:

The one contract pharmacy is located within 40 miles of the HRSA registered covered entity parent site. To make a designation, please visit www.340BESP.com/designations.

Q. How do I change my contract pharmacy designation?

A. 340B covered entities that do not have an in-house pharmacy capable of dispensing OPZELURA to their patients can elect a single contract pharmacy every twelve (12) months. Changes to the single contract pharmacy can be made only by visiting 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. How often can I change my contract pharmacy designation?

A. Covered entities that do not have an in-house pharmacy capable of dispensing OPZELURA to its patients may change its contract pharmacy designation once every twelve (12) months (*from the date of first designation*) or more often if the designated contract pharmacy relationship is terminated from the HRSA OPAIS database.

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

Incyte's policy allows 340B covered entities that do not have an in-house pharmacy capable of dispensing OPZELURA to its patients to designate only 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. To make a designation, please visit www.340BESP.com/designations.

Q. How do I ensure that my contract pharmacy designation takes effect on October 16, 2023?

A. For a covered entity's contract pharmacy designation to take effect on October 16, 2023, its contract pharmacy selection needs to be made by October 6, 2023. After October 6, 2023, please allow ten (10) business days for the designation to take effect.

Q. How long does it take for my contract pharmacy designation to take effect if I make the designation after October 16, 2023?

A. For contract pharmacy designations made after October 16, 2023, please allow ten (10) business days for the designation to take effect.