

April 1, 2021

VIA Email

Greg Doggett
Vice President, Legal and Policy Counsel, 340B Health
340B Health
1101 15th Street, NW, Suite 910
Washington, DC 20005

RE: March 26, 2021 Letter concerning 340B Claims Reporting

Dear Mr. Doggett,

Thank you for reaching out regarding the updates to Express Scripts' Provider Manual. We appreciate feedback from the 340B community and welcome the opportunity to engage in a productive discussion with the pharmacies that service the 340b community. We are sensitive to the role that 340B covered entities and their contracted pharmacies perform in providing affordable access to healthcare for America's most vulnerable populations.

First and foremost, we can assure you, as we have every pharmacy who has contacted us, that the utilization of the N1 transaction for 340b claim identification will have no impact on a provider's current or future reimbursement from Express Scripts or its participation in Express Scripts' networks. The utilization of an N1 transaction is for informational purposes and will promote transparency as well as overall end-to-end alignment. In light of the ever-changing healthcare landscape, it is imperative that we stay vigilant in adhering to operational best practices, to ensure that we deliver best-in-class service to our clients and members. We can assure you that this change to our network participation requirement was thoroughly evaluated to ensure that the benefits do not impede the ability of our members to receive the advantages of the 340B program.

340B covered entities are required by law to maintain accurate records to document compliance with all 340B program requirements, including that products purchased by covered entities are not diverted or dispensed to ineligible patients. Express Scripts' network participation requirements have encouraged 340B reporting on claims for many years and have explicitly required such reporting since August of 2020. In acknowledgment that providers may not always be able to identify a 340B claim at point of sale, we expanded the ways in which a pharmacy can designate such claim through the N1 transaction, as such reporting format was established by NCPDP. If your pharmacies would propose a different process, we would welcome that conversation

Express Scripts provided adequate notice of the change, as we sent the initial notice to our network pharmacies on January 15th, 2021, forty-five days prior the effective date. Recognizing the extended period between the effective date of March 1st and the initial notice on January 15th, Express Scripts provided a reminder communication to its network pharmacies on February 24th, 2021.

We recognize, however, that even with adequate notice, the implementation of any new operational processes can be challenging for a pharmacy. In order to ease this burden, we have committed to finding a solution with every pharmacy that has contacted us to discuss operational limitations and that are making a good faith effort to comply. We have already granted numerous pharmacies extensions for their operational compliance. We would welcome the opportunity to engage with your contracted pharmacies. Those pharmacies may either

reach out to Express Scripts directly to finalize a solution that would best meet their respective needs, or if you would provide us with a list of contracted pharmacies, we will contact them directly.

We value our relationships with our network pharmacies. It is never our intention to act in a way that is detrimental to 340B covered entities or their contracted pharmacies; rather, we are seeking to improve the quality of our pharmacy networks, control the skyrocketing costs of prescription drugs and encourage transparency in healthcare. Should you have additional questions, please let us know.

Sincerely,

Sarah J. Heiney

Senior Director, Retail Strategy & Contracting

Express Scripts



Confidential Information

