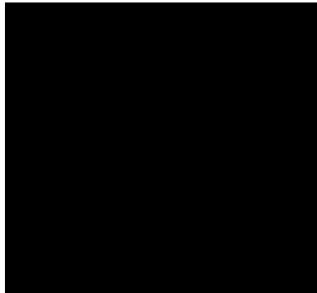


August 17, 2020



I am writing to inform you that Novartis is implementing a new 340B program integrity initiative to address duplicate discounts. Beginning on October 1, 2020, all covered entities (CEs) will be required to register and upload all 340B claim data originating from contract pharmacies (CPs) onto a new, web-based platform called 340B ESP™. Covered entities may register at no cost at [www.340BESP.com](http://www.340BESP.com).

While Novartis continues to support the core goal of the 340B program to increase access to outpatient drugs among uninsured and vulnerable patients, there is currently no standardized solution to identify 340B claims on Medicaid, Commercial, and Medicare Part D rebate invoices. This has increasingly caused manufacturers to pay duplicate claims due to time lags and discrepancies in data reported by CEs and CPs. We believe these program integrity and transparency challenges need to be addressed for the 340B program to continue its mission as intended.

A migration to 340B ESP™ will enable Novartis to identify all Medicaid, Commercial, and Medicare Part D rebate claims for reimbursement of a drug purchased at 340B pricing from uploaded claims. This change will support the program's sustainability by bridging the information gap between CEs and manufacturers and helping Novartis to more efficiently identify duplicate discounts and ineligible rebates. This change will not affect patient access to prescribed medicines, nor will it affect a CE's ability to continue to benefit from the 340B discount on CP transactions as long as the requested claims data is provided.

We look forward to working collaboratively with you to further strengthen the 340B program.

Sincerely,

Daniel Lopuch

VP Novartis Managed Markets Finance



## NEXT STEPS AND FREQUENTLY ASKED QUESTIONS

To get started with Second Sight Solutions' 340B ESP™ platform, follow these three simple steps:

1. Go to [www.340BESP.com](http://www.340BESP.com) to register your account. Upon initial registration you will be prompted with an onboarding tutorial that will walk you through the account set up process step by step. This process takes ~15 minutes.
2. Once your account is activated, you will be able to securely upload data to 340B ESP™. You will receive periodic notifications of pending data submissions and new contract pharmacy set up activities.
3. Login to 340B ESP and submit your 340B contract pharmacy claims data on a bi-weekly basis. Once your account is set up, the claims upload process takes ~ 5 minutes.

In addition to the frequently asked questions below, you can visit [www.340BESP.com/FAQs](http://www.340BESP.com/FAQs) to learn more about 340B ESP™. For further help with the registration, account setup, and data submission process please call Second Sight Solutions at 888-398-5520.

To learn more about how Novartis is working to improve program integrity through 340B ESP™, please contact Novartis directly at [Novartis.340B@novartis.com](mailto:Novartis.340B@novartis.com).

**Q: How will Novartis use the 340B claims data that we provide through 340B ESP™?**

**A:** Data uploaded by 340B covered entities will be used to identify and resolve duplicate Medicaid, Medicare Part D and Commercial rebates.

**Q: How does 340B ESP™ protect the privacy of my patients?**

**A:** Data uploaded to 340B ESP™ is de-identified and meets the definition of a De-identified Data Set under HIPAA. This means that protected health information (PHI) is not collected and the data provided cannot be combined with other data sets to reveal the identity of a patient. Additional security controls are embedded throughout the platform.

**Q: Is Novartis requesting data for all Novartis products?**

**A:** No. Novartis is only requesting data for Novartis drugs commonly dispensed through retail, specialty, and outpatient pharmacies registered on the HRSA database as a contract pharmacy. 340B ESP™ automatically limits the data in your upload file to the applicable NDCs.

**Q: What happens if my organization does not provide 340B contract pharmacy claims data?**

**A:** Novartis is making this service available to 340B covered entities at no cost with the goal of working collaboratively to address ongoing issues with duplicate discounts. Beginning on October 1, 2020, all 340B covered entities will be required to register at [www.340BESP.com](http://www.340BESP.com) and provide 340B claims data originating from CP utilization in order to receive 340B reimbursements from Novartis.

**Q: How often will I need to upload 340B contract pharmacy claims data to 340B ESP™?**

**A:** The 340B ESP™ platform requires claims to be uploaded every two weeks. The upload process takes ~5 minutes and should not place significant burden on 340B covered entity operations. Email reminders are automatically generated from 340B ESP™ and covered entities can monitor claims submission status when logged in to the platform.

**Q: What technology is required to successfully upload data to 340B ESP™?**

**A:** 340B ESP™ is compatible with most internet browsers including Microsoft Edge, Google Chrome, Safari, FireFox, and others. However, we strongly recommend using Google Chrome for the best user experience. Users will need an internet connection and access to a supported browser to successfully upload data.