

April 22, 2024

Dear Customer,

I am writing to inform you that, effective March 12, 2024, Bausch Health US, LLC (Bausch Health) is updating its 340B contract pharmacy policy as set forth in Attachment A. Bausch Health's 340B contract pharmacy policy will otherwise remain unchanged and is set forth below. We continue to reserve the right to further update our policy at our discretion.

Effective June 26, 2023, 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 within 40 miles of the covered entity. Bausch Health is utilizing the 340B ESP™ platform to support this designation. 340B covered entities that do not have an in-house pharmacy and have not 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 continue to submit 340B claims through 340B ESP™ for all utilization dispensed through their contract pharmacy. Any covered entity that elects to submit its 340B claims, however, will not be eligible to continue Bill To / Ship To replenishment orders for each of its contract pharmacies. Covered entities that are interested in submitting 340B claims will need to register an account with 340B ESP™ and it is requested they submit the 340B claims within 45 days of the dispense date.

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 June 26, 2023 effective date. 340B contracts administered by our wholesalers will no longer support distribution of 340B purchased drugs to 340B contract pharmacies after June 26, 2023.

Best regards,



Jeff 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 have common ownership with the entity) will not be able to access 340B pricing unless the covered entity does not have an in-house pharmacy and the wholly owned contract pharmacy is designated as the single contract pharmacy through the 340B ESP™ platform.

### **Q: Are Federal Grantees exempt from Bausch Health's policy?**

A: No. Federal Grantees are not exempt from Bausch Health's 340B contract pharmacy product distribution policy.

### **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 contract pharmacy policy allows qualifying 340B covered entities (i.e., covered entities without an in-house pharmacy) to designate a single contract pharmacy location within 40 miles of the covered entity's parent site. 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.

### **Q: Does the pharmacy's location that I would like to designate need to be within 40 miles of my covered entity's location?**

A: Yes. Bausch Health requires the single contract pharmacy designation that a covered entity has chosen to be within 40 miles of the covered entity's parent site.

### **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 June 26, 2023?**

A. For a covered entity's eligible contract pharmacy locations to take effect on June 26, 2023, the entity must designate by June 16, 2023. After June 16, 2023, 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 June 26, 2023?**

A. Covered entities can take action to comply with Bausch Health's policy after it goes into effect on June 26, 2023. After June 16, 2023, 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. What does our entity need to do to begin submitting 340B claims?**

A: 340B covered entities that wish to submit 340B claims from the single designated contract pharmacy 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 should be submitted within 45 days of the date of dispense.

**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 no longer gain access to 340B pricing for each individual contract pharmacy location for which it submits 340B claims.

## **Attachment A**

**Arkansas:** Effective March 12, 2024, contract pharmacy arrangements between 340B covered entities located in Arkansas and contract pharmacies located in Arkansas are exempt from Bausch Health's 340B contract pharmacy policy.