

June 15, 2020

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Re: Alternative Distribution Plan for Certain Bausch Health NDCs and Notice of Covered Entity Refunds

- Bexarotene Capsules 75mg 100ct (NDC 68682-0003-10)
- Metformin Hydrochloride ER Tablets, 500mg (NDC 68682-0021-50)
- Metformin ER Tablets, 1000mg (NDC 68682-0018-90)

Dear 340B Entity:

As previously communicated, effective April 1, 2020, Bausch Health moved distribution of the above-referenced products for 340B covered entities and 340B contract pharmacies to a direct distribution structure for all purchases of covered outpatient products eligible for the 340B ceiling price. This direct distribution model is intended to centralize purchasing for the referenced NDCs, and provides our customers with efficient access to purchase these products directly from Bausch Health.

Since initiation of this direct purchasing model in April 2020, Bausch Health understands that certain Covered Entities may have attempted to purchase these NDCs for eligible outpatient use at the 340B ceiling price through their wholesalers, which due to some confusion between Bausch Health and our wholesalers unfortunately caused certain covered entities to be charged Wholesale Acquisition Cost (“WAC”) instead of the applicable 340B ceiling price. As a result, this notice is meant to reiterate the process by which covered entities may obtain the referenced NDCs for eligible purchases at the 340B ceiling price through Bausch Health’s direct sales model and also sets forth the manner in which Bausch Health will offer refunds for any covered entities who may have been overcharged as a result of the transition to this model.

Direct Sales Model

Under Bausch Health’s direct sales model, a third-party service provider, R&S Solutions, LLC, is being used to accept orders and provide logistics, invoicing, and customer support for these items. 340B covered entities and contract pharmacies making eligible purchase at the 340B ceiling price will be able to access these products only directly from Bausch Health through R&S Solutions, which will act as the exclusive national service provider to Bausch Health for direct purchasing. Bausch Health will ensure equal access to these products for both 340B and non-340B customers. Please note that Covered Entities and contract pharmacies may still purchase these NDCs at WAC through their wholesalers without any expectation of a chargeback when such purchases are not eligible for the 340B ceiling price (i.e. when for ineligible inpatient use). We are also sending a separate letter to all wholesalers clarifying these purchasing options and processes.

Since Bausch Health is selling these products directly through its direct distribution service provider, 340B covered entities and other customers purchasing under this model will need to register eligible site(s) by visiting www.rssolutions.com. Covered entities using a Third-Party Administrator (TPA) to manage orders and inventory may continue to use their current system if that TPA has previously registered with R&S

Solutions. You may check with your TPA to determine if it is already connected to R&S Solutions or you may visit the R&S Solutions website for a list of registered TPAs. If your TPA is not currently connected with R&S Solutions, you may directly contact R&S, which can work with your TPA to facilitate enrollment and EDI connectivity. You may also place orders online or via phone by calling R&S Solutions directly at (855) 655-7556. Please note that all customers purchasing under this program should visit the R&S Solutions website to register their account in advance of placing an order.

Refunds for Potential Covered Entity Overcharges

As noted above, Bausch Health understands there may have been some confusion as the company transitioned sales of the referenced NDCs to the direct model. As a result, certain covered entities may have had 340B chargebacks denied or may otherwise have been charged WAC when intending to purchase at the applicable 340B ceiling price on eligible units. Bausch Health takes very seriously its obligation to charge covered entities no higher than the applicable 340B ceiling price for all eligible purchases, and we therefore intend to refund any covered entities who may have been overcharged. Consequently, where Bausch Health has evidence that any covered entity was overcharged for attempted 340B ceiling price purchases as outlined herein for the referenced NDCs, Bausch Health will implement a refund to the covered entity. Additionally, any covered entity who believes it may have been overcharged on these NDCs due to the issues mentioned above may contact Bausch Health to request a refund.

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If you have any questions regarding this program or access to these products, please contact R&S Solutions Customer Service at (855) 655-7556 or Susan Ricciardi at Sue.Ricciardi@bauschhealth.com, 908-927-1889.

Sincerely,

Barbara Purcell
President
US Diversified Products
Bausch Health US, LLC