

## **ACCREDO DISCLOSURE STATEMENT**

As a provider of specialty pharmacy, Accredo Health Group, Inc. and its wholly-owned or affiliated pharmacies (collectively, referred to as “Accredo”) typically provide a wide array of pharmacy services. This Disclosure Statement applies collectively to all specialty pharmacies affiliated with Accredo Health Group, Inc.

When payers engage Accredo to provide pharmacy services, depending on the particular disease state, these services provided to patients may include, but are not limited to:

- a) Patient Intake Services: patient enrollment, initial referral processing, insurance eligibility and benefits verification, alternative coverage searches, schedule of initial medication order, and coordination of patient education and instruction for each new patient;
- b) Pharmacy Dispensing Services: dispensing of the medications pursuant to a prescription in accordance with applicable law, the deposit of such medications with a third party carrier (e.g., Federal Express) to facilitate the delivery of same as per the patient’s instructions, and the provision of certain ancillary supplies (e.g., syringes, needles, and alcohol swabs) and related items in connection with the medication that may be necessary or useful to the patient in connection with the administration of the medication;
- c) Ongoing Clinical and Specialty Pharmacy Support Services: self-injection teaching support, patient education, assessment, clinical interventions and clinical screenings, therapy adherence counseling and related clinical patient management activities and programs, physician consultations, authorization maintenance, partial prior authorization (upon request by client and upon signing necessary forms), assistance with patient coverage appeals, re-fill follow-up calls, managing ongoing medication orders, and insurance follow-up and related ongoing delivery coordination; and
- d) Social Services: patient advocacy, hardship reimbursement support, and indigent and patient assistance programs.

If Accredo’s clients desire additional information regarding these services in addition to the information that already has been provided, Accredo will provide client with the additional information upon request.

Accredo complies with all applicable laws, including applicable patient privacy laws. Accredo retains the sole and exclusive right to use and disclose patient information and de-identified data, provided Accredo’s activities comply with applicable law, including applicable patient privacy laws. Accredo retains the sole and exclusive right to and ownership of all pharmacy records and information contained therein, including without limitation, patient identifiable data related to or generated in connection with Accredo’s lawful activities and de-identified data created from its pharmacy records.

Accredo purchases its prescription drug inventories either directly from manufacturers or from drug wholesalers for dispensing to patients or for distribution to physician offices. Purchase or related discounts off the acquisition cost of these products are often made available by manufacturers in the form of both up-front and retrospective discounts. When Accredo dispenses or distributes a product from its inventory, the purchase price paid for the dispensed product, including applicable dispensing fees if any, may be greater or less than the pharmacy’s acquisition cost for the product, net of applicable purchase or other discounts from the manufacturer. In general, Accredo realizes an overall positive margin between this net acquisition cost and the amounts paid for the dispensed products. In addition, Accredo may receive compensation from manufacturers related to the provision of certain programs or pharmacy services. Furthermore, often as a condition to receiving access to certain products, a pharmaceutical manufacturer will require a purchasing pharmacy to

report selected HIPAA-compliant information to the manufacturer (or the manufacturer's vendor) regarding the pharmacy's service levels and other dispensing-related data for patients who receive such manufacturer's product, all of which are in compliance with HIPAA. A portion of the discounts or other compensation made available to Accredo often represents compensation for such reporting. All such discounts and other compensation described above are negotiated on Accredo's own behalf and Accredo retains all proprietary rights to such discounts and fees. Accredo represents and warrants that its pharmacy services are clinically objective. Accredo does not recommend or engage in activities to promote therapeutic substitutions (i.e., recommendations to consider the use of a drug that is not chemically identical to the medication that was prescribed by the physician) except: (a) to an equivalent generic product where allowed by law; (b) in situations where the dispensing pharmacist, in the exercise of his or her professional judgment, believes that the medication prescribed by the physician may be unsafe or otherwise clinically inappropriate for the patient (the medication is then substituted only with the treating physician's consent); or, (c) if directed by Accredo's client. Certain materials provided by Accredo to patients may be provided or funded by pharmaceutical manufacturers, in which case, Accredo complies with applicable law related to such materials.

Any and all discounts and other reductions in price offered to clients by Accredo are intended to be treated as "discounts" pursuant to the Federal anti-kickback statute set forth at 42 U.S.C. §1320a-7b and implementing regulations (the "Federal Anti-Kickback Laws"). Client is responsible for disclosing the specified dollar value of discounts or reductions in price under any state or federal health care program (as defined in 42 U.S.C. §1320a-7b(f)) that provides cost or charge-based reimbursement to such client for the specialty medications covered under the arrangement with Accredo in accordance with the Federal Anti-Kickback Laws and, to the extent applicable, the related safe harbor regulation (42 C.F.R. §1001.952(h)). In any event, client is responsible for properly disclosing all such discounts or reductions in price to representatives of Medicare, Medicaid, and other federal health care programs (as defined in 42 U.S.C. §1320a-7b(f)) upon request. Accredo will refrain from doing anything that would impede client from meeting its aforementioned obligations. Amounts due and reflected in Accredo's invoices or on-line billing to client are reflective of the negotiated rates specified under the arrangement between the client and Accredo. Accredo will not claim payment in any form directly or indirectly from a federal health care program (as defined in 42 U.S.C. §1320a-7b(f)) for items or services covered and reimbursable under its arrangement with the client; provided, however, Accredo shall be allowed to conduct and facilitate coordination of benefits in accordance with applicable law and contracts.

This Disclosure Statement supersedes previous disclosures and/or statements made by Accredo in connection with the subject matter hereof.

**ACCREDO MAY PERIODICALLY UPDATE ITS DISCLOSURE TO REFLECT CHANGES IN ITS BUSINESS**