

FAQs - HCPs

The following "frequently asked questions" relate to Novartis Pharmaceuticals Corporation (NPC) interactions with certain healthcare professionals (e.g., physicians) that involve payments and other transfers of value. As part of its commitment to responsible, transparent interactions, NPC posts these payments and transfers of value on its website and updates these postings twice per year. Please note that our policies and procedures are subject to change based on developments in the regulatory environment, including the adoption of new laws and regulations governing the reporting of payments and transfers of value.

Accordion:

Why is NPC reporting payments?

1.1 Why does Novartis Pharmaceuticals Corporation (NPC) post payments related to certain interactions with physicians and related entities on its website?

On September 29, 2010, NPC entered into a Corporate Integrity Agreement (CIA) with the Office of Inspector General (OIG) of the U.S. Department of Health and Human Services.

To fulfill certain CIA-related responsibilities, and as part of its general commitment to ethical and transparent interactions, NPC posts certain payments and transfers of value to U.S.-based physicians and related entities on its website (www.pharma.us.novartis.com) [1]. Posting of these payments is commonly referred to as Transparency Reporting.

1.2 Why does NPC provide payments or other transfers of value to healthcare professionals (e.g., physicians)?

NPC is dedicated to improving patient care and finding solutions to today's health challenges. We achieve those goals in part through ongoing interactions with healthcare professionals (HCPs). Interactions between pharmaceutical companies and HCPs play a critical role in improving patient care and supporting appropriate use of medicines. We engage the services of HCPs in a range of clinical research and other contexts, primarily based on their training and expertise in developing medicines and/or treating patients for medical conditions in therapeutic areas of interest to our company.

1.3 Why does NPC provide meals to physicians and other HCPs? How does this help improve patient care?

To maximize the time available for patient care, associates from NPC and other pharmaceutical companies often seek to provide information and answer product questions for physicians and other HCPs during the lunch hour and after office hours. This can enable

physicians and other HCPs to keep current with product information and medical developments in their field without taking time away from patients. NPC associates may provide an occasional modest meal to physicians and other HCPs when the meal is part of, and conducive to, a useful exchange of medically relevant information, and is not associated with any entertainment or recreation.

NPC associates may also provide a meal in conjunction with a company-sponsored informational speaker program in which a contracted speaker (usually a HCP) presents product-related, medical or scientific information to a group of other HCPs.

Additionally, NPC associates may provide an occasional meal to an HCPs in connection with participation in a company-sponsored meeting while providing contracted services to Novartis. Such research or consulting-type meetings may take place over several hours or possibly days.

Importantly, in all of these situations, the meal must be incidental to the main purpose of the interaction - the provision or exchange of information important to patient care.

Who is NPC including in its website postings and other transparency reporting?

2.1 What is NPC's definition of an HCP?

NPC's definition of HCPs includes "physicians", nurse practitioners, pharmacists, physical therapists, physician assistants, psychologists and registered nurses, among other HCPs. Moreover, "physicians" include Medical Doctors, Doctors of Dental Surgery, Doctors of Dental Medicine, Doctors of Optometry, Doctors of Osteopathy, Doctors of Podiatry and Doctors of Chiropractic Medicine.

Click [here](#) [2] to see the list of HCPs

2.2 What is a related entity?

A related entity is an entity in which any physician receiving payments is employed, has tenure or has an ownership interest. For example, Dr. Richard A. Smith is engaged as a speaker at a promotional speaker program. Dr. Smith requests that his fee-for-service payment be made to ABC Clinic (or ABC Health Systems, or Richard A. Smith, LLC). Because the payment was made to a related entity as opposed to Dr. Smith himself, this would be reported as a payment to Dr. Smith, as well as to ABC Clinic (or ABC Health Systems, or Richard A. Smith, LLC).

2.3 Does NPC post on its website payments and transfers of value to HCP s other than physicians?

NPC's public website posting includes information about payments made to all HCPs between January 1, 2011 and September 30, 2011 for promotional speaker services and for providing promotional speaker training. In the future, in the rare instances where a primary investigator for a clinical trial is a non-physician, NPC will include that individual in the report as receiving research-related payments.

2.4 If a physician is not U.S.-based, (i.e., is not licensed in the U.S.), is NPC posting payments and transfers of value to that physician on its website?

NPC is only posting its payments and transfers of value to U.S.-based physicians. Payments to non-U.S.-based physicians are not posted on the NPC public website.

2.5 If a U.S.-based physician or other HCP provides services to and is paid by an NPC affiliate, will NPC post the payment on its website?

All NPC payments/transfers of value to U.S.-based & licensed physicians are posted on the NPC website.

2.6 Can physicians choose to be omitted from NPC's posting of names and payment information?

If a physician or related entity receives a payment or other transfer of value from NPC that meets the criteria for posting, his or her name and the payment/value transfer must be posted.

How does NPC describe payments and transfers of value to physicians and related entities?

3.1 Does NPC itemize the payments and transfers of value that are posted for each physician and related entity?

NPC reports total eligible payments/transfers of value to each physician and summarizes by "activity" category (see example below), without itemizing or describing each individual payment in that category. So, for example, as displayed below, Dr. John Doe would have received meals (food and/or beverage) from NPC worth a total of \$32 during the reporting period. The sum of all payments and other value Dr. John Doe received during the reporting period was \$407.

3.2 How does NPC currently calculate, allocate and report meal costs?

Currently, the total cost of a meal is divided by the number of attendees at the medically relevant discussion who ate the NPC-provided meal.

Example: Total Meal Cost: \$150

Total Attendees consuming the meal: Eight (one NPC associate, two physicians, two nurses, three non-HCPs, e.g. medical assistants)

Step 1: NPC determines the total meal spend.

- \$150

Step 2: NPC determines the per person meal spend.

- $\$150 / 8 = \18.75

Step 3: NPC determines physician reportable meal spend.

- Each physician would be attributed and reported a \$18.75 transfer of value for this interaction.

3.3 If a physician or other HCP attends an NPC event but does not eat, is part of the meal cost allocated to him/her?

No. If the physician or other HCP does not eat an NPC-provided meal, no part of the cost of the meal is attributed to him/her.

3.4 Could the formula for calculating, allocating and reporting meal spend change over time?

Yes. For example, our CIA requires us to report "payment and transfers of value" as "defined" by the Sunshine Act, which Congress adopted in 2010 as part of federal healthcare reform. The Sunshine Act regulations were issued on February 1, 2013 and are currently under review. If it turns out that the Sunshine Act requires companies to report payments/transfers of value related to meals using a different formula, NPC will follow that formula. NPC may also modify the formula to respond to other changes in the law or regulatory environment, or to conform to changes in Company policy.

3.5 How is NPC posting payments or transfers of value to related entities?

If a payment is made to a related entity, the related entity's name is displayed in addition to the name of the physician who earned or received the payment/value transfer. NPC presents this same information in two different reports: one report that is sorted by physician's name and another that is sorted by related entity. These reports use the same payment information. Moreover, the same information is presented differently in the two reports.

3.6 How is NPC communicating with physicians and other HCPs about the posting of payments/transfers of value on its public website?

NPC has informed physicians and other HCPs about its payment reporting policies and requirements several different ways. NPC has sent letters to physicians and also hand-delivered information to them via field associates. In addition, NPC has devoted a section of its website to transparency reporting. The Company also maintains, a dedicated toll-free number to assist HCPs and others with questions about NPC transparency reporting.

3.7 Will HCPs have the opportunity to review the amount(s) that are posted.

HCPs may request a report of their spend at any time by calling 1-866-356-8735.

What types of payments are NPC reporting?

4.1 What payments or transfers of value to HCP's and related entities is NPC posting on its website?

On March 30, 2011, NPC started posting U.S.-based HCPs fee-for-service payments on a quarterly basis for promotional speaker programs and speaker training on its website.

NPC has also been tracking all payments or transfers of value to physicians and related entities*, including fees for services, meals, travel, other expense reimbursements, and educational items.

- Product detailing
- Speaker programs
- Speaker training events
- "Lunch and Learns"
- Preceptorships
- Conventions
- Advisory boards (marketing and scientific)
- Business meals
- Effective 1/1/12
- Clinical investigations
- Product research
- Development agreements

NPC also began collecting spend related to clinical investigations, product research and development agreements on January 1, 2012, for posting with all payments and transfers of value noted above starting on March 1, 2013 and continuing on a quarterly basis. Effective September 30, 2014, these reports will be posted twice per year to better align these payment postings with Open Payments (Sunshine) reporting requirements.

4.2 Is NPC posting all payments and transfers of value to HCP's and related entities, regardless of amount or value?

NPC will not post information about payments or transfers of value to an HCP if the value of the payment or transfer of value received is less than \$10, and if the total value of payments/transfers received in the calendar year is \$100 or less. Any single payment or transfer of value of \$10 or more will be posted, regardless of the total value of payments/transfers made during the calendar year.

4.3 What if an HCP provides contracted services without compensation, but receives other benefits (e.g., meals or travel reimbursement)?

If an HCP declines compensation for contracted services, NPC must still post any other transfers of value associated with that engagement (e.g., meals including food and beverage, travel and lodging.)

4.4 What is a promotional speaker program?

A promotional speaker program is a presentation by one or more speakers (typically, physicians or other HCPs) to an audience of peer professionals about an NPC-approved topic. Promotional speaker programs typically educate HCPs about a particular disease state or an NPC medicine.

4.5 When NPC retains an HCP to provide contracted services, what expenses does NPC reimburse?

NPC reimburses HCPs for reasonable expenses incurred as a result of performing contracted services for the Company. For example:

- Transportation (Air, Ground, Parking)
- Lodging
- Incidental expenses (e.g., meal expenditures while traveling)

NPC does not reimburse entertainment or other non-business activities. In addition, NPC does not reimburse expenses for spouses, friends or business associates who may choose to travel with an HCP to a NPC activity or event.

4.6 Are there any tax implications for an HCP who receives payments/transfers of value from NPC?

NPC encourages HCPs to consult a qualified tax advisor before accepting payments/transfers of value from NPC.

Where can HCPs get more information about NPC's posting of payments and transfers of value on its public website?

5.1 What should HCPs do if they have questions about the data posted on NPC's website?

HCPs can request information by submitting an online inquiry [here](#) [3] or by calling 1-866-356-8735. NPC is committed to posting information that is accurate, complete and timely

5.2 Can an HCP obtain a detailed report that explains the payment information that NPC has posted?

Upon contacting NPC at 1-866-356-8735, the physician may request to obtain an itemized report by regular mail delivery of the detail represented by the totals on the public website. The physician may call the number provided with the detailed report with any additional questions related to the detail once received and reviewed. A copy of this detail may alternatively be requested in writing by the healthcare professional by sending a letter on their office letterhead to:

Novartis Pharmaceuticals Corporation

Attn: Transparency Reporting

One Health Plaza

East Hanover, NJ 07936

The request must include the following:

- Full name, including middle name and suffix (e.g., Jr., III)
- Professional Degree
- Specialty
- Complete Office Address
- NPC Transparency Report Name
- NPC Transparency Report Date
- NPC Transparency Report Line Number

If requesting detail through a written request, NPC will mail a written response to the HCP within 30 days of receipt of their letter.

5.3 If an HCP questions the payment information in the detailed report, what should he/she do?

The physician may call the number provided with the detailed report with any additional questions related to the detail provided.

Accordion Type:

Collapsible

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