



The below areas represent sections of Novartis Pharmaceuticals Corporation’s compliance policy related to the Anti-Kickback Statute.

Section of the Navigator	Language
<p>2.2 Applicable Laws, Regulations and Government Guidance</p>	<p>Federal Anti-kickback Statute</p> <p>The Anti-kickback Statute makes it a criminal offense to knowingly and willfully offer, give, solicit or receive any remuneration (something of value) to induce Customers to recommend, prescribe or purchase products for which payment may be made under federally funded healthcare programs, such as Medicare and Medicaid. The statute may be violated even if only one purpose of the remuneration is to induce a referral or a purchase. In simple terms, we may not offer anything of value to a healthcare provider to encourage or in return for prescribing our products. For example, entering into arrangements with physicians for services that are unnecessary, paying for services at above fair-market value, or offering an educational grant to a physician to induce him or her to prescribe that company’s products are examples of arrangements that are prohibited.</p> <p>Like the FCA, many states have also enacted anti-kickback statutes. Violation of the federal anti-kickback statute can be prosecuted criminally as a felony. Individuals may be charged as well as corporations. The penalties include imprisonment for up to five years and fines of up to \$25,000 per violation. The government may also impose civil fines or exclude a company from participation in federally funded healthcare programs. This could have major consequences if a Pharmaceutical company is excluded from participation in Medicare, Medicaid or other federally funded programs.</p>
<p>5.6.2 Donations</p>	<p>This policy outlines the requirements for donations that can be provided to both healthcare and non-healthcare related organizations. Compliance with the policy and requirements is essential to help ensure compliance with applicable laws and regulations (e.g., the federal anti-kickback statute).</p>
<p>5.7.1 Interactions with Institutional Customers and Payors</p>	<p>Compliance and Patient Adherence Programs</p> <p>NPC may contract with retail or specialty pharmacies, or other entities in the supply chain, to conduct activities to support patient adherence to their medication. For example, NPC may purchase point-of sale advertising within pharmacies or the opportunity to send written communications to patients. Such contractual arrangements must be reviewed by the Legal Department to ensure they meet all applicable laws and regulations including those related to privacy, promotion, anti-kickback and price reporting.</p>

6.0 Definitions

Anti-kickback Statute

A federal statute that makes it a criminal offense to knowingly and willfully offer, give, solicit or receive any remuneration to induce Customers to recommend, prescribe or purchase products for which payment may be made under federally-funded healthcare programs, such as Medicare, Medicaid.