

Network Contract Education

Dear CVS Caremark Provider:

CVS Caremark® (“Caremark”) is committed to providing high-quality, cost-effective healthcare through our network providers and values your collaboration in achieving this goal.

As you are aware, Caremark includes certain prohibitions against dispensing aberrant quantities and volume of medications within a therapeutic category. Specifically, that provision, as amended effective January 1, 2022, or in accordance with applicable Law, states:

Aberrant Practices and Trends

Caremark has implemented programs to address aberrant Provider practices or trends in Caremark retail networks. Providers participating in a Caremark network(s) must not engage in aberrant practices or trends including, but not limited to:

1. *Dispensing:*
 - a. *aberrant quantities of a Covered Item and/or disparate volume of claims within a therapeutic category (e.g., topicals, dermatologicals), as measured by number of claims, quantity dispensed and/or dollars;*
 - b. *limited medications and/or therapeutic categories (e.g., topicals products, diabetic test products, skin care products, etc.);*
 - c. *drug products inconsistent with the habits of local Prescribers or Plan Sponsor formularies, at Caremark’s determination.*
2. *Demonstrating purchasing practices (e.g., higher cost drug products) that are not in keeping with the aligned goal of safeguarding both the health and financial welfare of Eligible Persons and Plan Sponsors.*
3. *Disregarding Eligible Persons’ private and confidential identification information by using or misusing member data for Provider’s own use (e.g., submitting test claims with no subsequent paid claims – also known as “negative” claims) and/or without Prescriber prescription authorization.*
4. *Participating in actions, programs and/or business models that result in the selection and dispensing of drug products that increase the amount billed to Plan Sponsors for Covered Items to Eligible Persons.*
5. *Engaging in practices that focus on Provider’s welfare rather than best practices of providing clinical, cost-effective solutions for Eligible Persons and Plan Sponsors.*

Provider’s breach of this provision of the Provider Manual shall constitute a material breach of the Provider Manual and, in such instance, Caremark, on its own behalf, or on behalf of a Plan Sponsor, shall have the unequivocal right to terminate the Provider Agreement (or Provider’s participation in specific Plans or networks) and exercise other remedies available to Caremark, including chargeback of applicable claims. The remedies available to Caremark are cumulative and independent of each other, i.e. Caremark shall have the right to terminate the Provider Manual and institute other remedies including chargeback of applicable claims.

Note: This document contains references to brand-name prescription drugs that are trademarks or registered trademarks of pharmaceutical manufacturers that are not affiliated with CVS Caremark.

Pharmacy network participation varies by plan.

The recipient of this fax may make a request to opt out of receiving telemarketing fax transmissions from CVS Caremark. There are numerous ways you may opt out: The recipient may call the toll-free number at 877-265-2711 and/or fax the opt-out request to 401-652-0893, at any time, 24 hours a day/7 days a week. The recipient may also send an opt-out request via email to do_not_call@cvshealth.com. An opt-out request is only valid if it (1) identifies the number to which the request relates, and (2) if the person/entity making the request does not, subsequent to the request, provide express invitation or permission to CVS Caremark to send facsimile advertisements to such person/entity at that particular number. CVS Caremark is required by law to honor an opt-out request within thirty days of receipt. **An opt-out request will not opt you out of purely informational, non-advertisements, Caremark pharmacy communications such as new implementation notices, formulary changes, point-of-sale issues, network enrollment forms, and amendments to the Provider Manual.**

This communication and any attachments may contain confidential information. If you are not the intended recipient, you are hereby notified that you have received this communication in error and that any review, disclosure, dissemination, distribution, or copying of it or its contents, is prohibited. If you have received this communication in error, please notify the sender immediately by telephone and destroy all copies of this communication and any attachments. This communication is a Caremark Document within the meaning of the Provider Manual, and as such is Caremark Confidential Information that must be protected by the Provider and used only as described in the Provider Manual.

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This communication is an update to the communication originally distributed on November 27, 2019, and serves to aid you in understanding one way in which Caremark will begin to review and enforce Provider compliance with this provision.¹

Caremark monitors Providers' dispensing practices related to Covered Items on the attached "Aberrant Product List" on a monthly basis. A Provider will be in breach of the above contract provision if in a one-month period, any one or combination of products on the Aberrant Product List accounts for twenty-five percent (25%) or greater of **either** the Provider's claims dollars (*i.e.*, the money paid to Provider by Caremark) or claims volume (*i.e.*, the number of claims submitted to Caremark), as measured by Caremark. For purposes of this provision, the one-month measurement period will start on the first day of a calendar month and end on the last day of the month. When dispensing Covered Items on the attached "Aberrant Product List," Provider should take into account that certain months have less days for the measurement period (*e.g.*, February). Provider shall also take into account that a small number of prescriptions, or even a single prescription, might cause Provider to breach this provision based on the percentage of claims dollars submitted to Caremark (*i.e.*, a single prescription might exceed the 25% claims dollars threshold even if it does not exceed the 25% claims volume threshold).

In such instance, Caremark will send notice to the Provider indicating that a breach has occurred. Provider will have a one-month period to cure the breach if it wishes to continue its participation as a Provider by lowering both its claims volume and claims dollars below the 25% threshold. However, the reversal of claims that would otherwise put Provider over 25% does not constitute a cure and Caremark will be entitled to all remedies available to it if the claim had not been reversed. If Provider fails to cure the breach within the one-month cure period or if Provider breaches this provision in any subsequent one-month period, Provider will have materially breached the Provider Manual and Caremark shall have the unequivocal right to terminate the Provider Agreement (or Provider's participation in specific Plans or networks) and institute other remedies available to Caremark, including chargeback of applicable claims. *The remedies available to Caremark are cumulative and independent of each other, i.e., Caremark shall have the right to terminate the Provider Agreement and institute other remedies including chargeback of applicable claims.*

Caremark will provide regular updates to the attached product list with an indicated effective date and will communicate these updates to each Provider. **Effective July 01, 2022, this monthly communication includes only new additions to the list.** The Aberrant Product List in its entirety is posted on the Pharmacy Portal <https://rxservices.cvscaremark.com>>Document Library>General Announcements.

Provider will be responsible for monitoring entire Aberrant Product List on the portal, unless Provider sends a request to **OutlierDispensingPractices@CVSHealth.com** opting out of the portal and requesting this list be sent to the pharmacy in its entirety. The request is due by the 15th of the month.

¹ Please note that the process outlined in this communication is only one method CVS Caremark uses to review compliance with the Aberrant Practices and Trends provision provided above and Provider may be deemed to have breached the Aberrant Practices and Trends provision by other means that also subject Provider to consequences up to and including termination of Provider's Provider Agreement with Caremark. Please review your contractual duties closely to make sure you are complying and able to continue servicing CVS Caremark Plan Participants.

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| ABERRANT PRODUCT LIST - EFFECTIVE 01/01/2023 | |
|--|-------------|
| PRODUCT NAME | NDC |
| ADAPAL/BEN P PAD 0.1-2.5% Pad | 82429001201 |
| AVADERM CRE 4%-1% | 6977002001 |
| DERMETAZOLE PAK 2-20% | 72835020303 |
| FROTEK CRE 10% | 71300644202 |
| FROTEK CRE 10% | 71300644201 |
| FROTEK CRE 10% | 71300644203 |
| KETOPROFEN CAP 50 MG | 00276050610 |
| LEVIGOLT CRE 4-1% | 70112015001 |
| METHOCARBAMO TAB 1000MG | 00276051010 |
| ZYLOTROL CRE 4-1% | 81902022204 |
| ZYLOTROL PAD 4-4% | 81902013015 |

The following RXBIN numbers are managed by CVS Caremark: 004245, 004336, 006144, 007093, 012114, 012189, 013089, 013303, 014046, 020099, 020107, 020115, 020123, 020388, 020396, 021007, 021338, 601475, 603604, 610029, 610084, 610130, 610239, 610415, 610449, 610468, 610473, 610474, 610477, 610502 and 610591. Plan sponsor-specific RXBINs and phone numbers may apply as specified in pharmacy notifications or the Caremark Payer Sheets found online at www.caremark.com/pharminfo.