

March 6, 2023

South A. Moore, Esq.
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Dear Assistant General Counsel Moore:

We are happy to respond to your February 20, 2023 letter regarding retail pharmacy services at the Mission Health Cancer Center (“Cancer Center”). Although the retail pharmacy location at the Cancer Center closed, Mission Health System (“MHS”) is pleased to offer enhanced retail pharmacy services both at Mission Hospital and across western North Carolina as detailed further below. Importantly, MHS’ Mission Hospital retail pharmacy location—located directly across the street from the Cancer Center—offers the exact same prescriptions as were available at the Cancer Center retail pharmacy location.

MHS is committed to providing convenient, comprehensive retail pharmacy services to cancer patients, its other patients, and all citizens of western North Carolina. Consistent with that commitment, MHS is expanding its retail pharmacy hours at Mission Hospital. Beginning this month, that location (0.02 miles from the Cancer Center) will be open 365 days each year, including holidays and offers the same prescriptions that were available at the Cancer Center retail pharmacy location. While we understand that some Cancer Center patients now must cross the street for in-person retail pharmacy services, we are confident that the full suite of retail pharmacy and specialty pharmacy services that MHS offers reflects an overall enhancement to patient care. MHS offers mail delivery for retail pharmacy customers. Additionally, MHS began offering pharmacy curbside pickup for pediatric and radiation oncology patients today and the same service will be available to all other oncology patients beginning March 20, 2023.

In parallel, MHS is launching a new program with Biologics, a McKesson company. Biologics will provide MHS cancer patients with *increased* access to pharmacists and care professionals at no additional cost. Biologics offers 24-hour-a day, seven-day-a week access to pharmacists by phone, and, during business hours, also has dedicated care team members available by phone who are specially equipped to meet the clinical, financial, and emotional needs of cancer patients. Specifically:

- Biologics has a patient access team that will proactively help patients secure co-pay assistance or financial assistance programs to reduce out-of-pocket costs.
- Biologics will coordinate shipping so that customers can have prescriptions delivered directly to their home.
- Biologics has team members dedicated to helping patients monitor side effects and to answer related questions.

- Biologics benefits MHS’ providers, too, because Biologics can help MHS’ providers appeal insurance company denials, which will permit providers to spend more time on patient care and less time arguing with insurance companies.

In short, Biologics provides the comprehensive approach to treating cancer that your letter notes as critical to improving outcomes. And MHS is making Biologics’ services available to all of its patients, not just Cancer Center patients.

Your letter requested certain information regarding MHS’ decision to close the Cancer Center retail pharmacy location. MHS’ decision was part of a comprehensive realignment of pharmacy resources designed to provide greater overall access to pharmacy care, including through MHS’ partnership with Biologics and MHS’ expansion of days and hours at the Mission Hospital retail pharmacy location.

The data below show that demand for retail pharmacy services at the Cancer Center decreased by approximately fifty percent from 2019 to 2022 and the location operated at a loss in each of 2020, 2021, and 2022. The decrease in demand correlated with Cancer Care of Western North Carolina (“CCWNC”)’s decision in 2019 to not renew its Professional Services Agreement with MHS. CCWNC instead became an independent cancer services provider in the region, operating as Messino Cancer Centers in partnership with the for-profit American Oncology Network.

	2019	2020	2021	2022
Total Number of Patients Served	1,962	1,048	859	924
Total Number of Prescriptions	15,560	7,914	7,111	7,827
Gross Revenue (\$ thousands)	23,897	8,120	5,338	5,479
Operating Expenses (\$ thousands)	22,695	9,131	5,448	5,780

Some context regarding the prescription data above is useful to understand what prescriptions patients typically filled at the Cancer Center retail pharmacy location. On average, fewer than five percent of the prescriptions that location filled were for specialty pharmaceuticals, such as certain oncologics. In fact, in 2022 the Cancer Center pharmacy location filled just 230 prescriptions for specialty drugs—those not readily available at most retail pharmacies—that are commonly prescribed for cancer treatment. To the extent Cancer Center patients visiting the retail pharmacy needed other specialty pharmaceuticals for treatment, most of those prescriptions were filled by a specialty pharmacy that shipped the prescriptions directly to patients. For clarity, the pharmacy location at the Cancer Center was not and never operated as a specialty pharmacy. The Cancer Center separately operates (and will continue to operate) an infusion pharmacy.

Your letter also suggests that MHS has curtailed or discontinued integrated health services at the Cancer Center. Aside from the Cancer Center’s retail pharmacy location closing, MHS is not certain what you are referencing. If you have specific concerns about Cancer Center services other than the retail pharmacy location closure, we would be happy to meet with you to discuss those concerns. We are confident that our discussions will confirm that MHS has complied with, and will continue to comply with, its obligations to provide oncology services at Mission Hospital consistent with Section 7.13(a) the January 31, 2019 Amended and Restated Asset Purchase Agreement.



We hope this information again reassures you that MHS remains as committed as ever to providing cost-effective, high-quality healthcare to cancer patients, both at the Cancer Center and across western North Carolina. MHS' decision to increase retail pharmacy operations at Mission Hospital is consistent with that commitment, as is MHS' partnership with Biologics. We are happy to discuss these matters at any time.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Greg Lowe", with a stylized flourish at the end.

Greg Lowe
President, North Carolina Division