



ESTADO LIBRE ASOCIADO DE
PUERTO RICO

Administración de Seguros
de Salud de Puerto Rico (ASES)

March 17, 2016

Rafael Angulo
Director of Government Pricing
Novartis Pharmaceuticals
One Health Plaza Bldg 104
East Hanover, NJ 07936

TERMINATION OF AGREEMENT FOR EXELON

Dear Mr. Angulo:

The Physical and Mental Health Rebate Agreement subscribed by the **Puerto Rico Health Insurance Administration** (hereinafter the "Agreement") and **Novartis Pharmaceutical Corporation**, states in its Article XIX, Section 6, and Article XXI, Section 1, as follows:

ARTICLE XX

TERMINATION OF AGREEMENT

- 6. The Agreement may be terminated without cause by the ADMINISTRATION upon thirty (30) calendar days' prior written notice. The Agreement may be terminated without cause by the SUPPLIER upon ninety (90) calendar days' prior written notice. Upon such termination, the ADMINISTRATION shall have the right to eliminate the Products from the PDL.*

ARTICLE XXI

RUNOFF PERIOD

- 1. Following termination of the Agreement for any reason, the Supplier must continue to honor and be responsible for paying the Rebates and Administrative Fees as established in the terms of the Agreement for a period of ninety (90) days after termination*

Pursuant to the discretion afforded to the ADMINISTRATION under the quoted Articles, we hereby inform you that all mentioned contracted presentations of EXELON, listed on ADDENDUM A of the agreement, will be removed from the Preferred Drug List (PDL) for Physical Health effective on April 17, 2016.

Aprobado por la Comisión Estatal de Elecciones #CEE-SA-16-2758

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Novartis Pharmaceutical Corporation must continue to honor and be responsible for paying the Rebates and Administrative Fees accrued, as established in the terms of the Agreement, for a period of ninety (90) days after the effective termination date, ending on July 16, 2016. Abarca health will be sending Novartis Pharmaceutical Corporation, a Rebate Statement and Invoice as usual, including the runoff period, until the end of year 2016.

Cordially,



Ricardo A. Rivera Cardona
Executive Director

c: Nayda M. Rivera Abarca Health
Anixa Pérez MC-21 Corporation