



A VITAL FORCE.
Specialty Pharmacy & Pharmaceuticals Practice

BASS BERRY  SIMS PLC

CENTERED TO DELIVER.

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SPECIALTY PHARMACY & PHARMACEUTICALS PRACTICE

With more than 20 attorneys, we have one of the largest Specialty Pharmacy, Pharma Services & Distribution Practices in the country. Led by an industry veteran who has experience as both in-house general counsel and outside counsel, our multi-disciplinary team serves as operational and transactional counsel to a majority of the nation's largest specialty pharmacies.

In the last 18 months, we were engaged in most major transactions in the specialty pharmacy industry. We provide practical business advice and legal guidance to help with trade and distribution matters facing clients within the pharmaceutical industry. Day-to-day, we assist clients in navigating and complying with the contractual, regulatory and operational requirements unique to the pharmaceutical industry and lead clients in audits and compliance reviews.

Critical areas in which we provide legal, regulatory and strategic counsel include:

- Contracting, Regulatory & Operational
- Mergers, Acquisitions & Dispositions
- Compliance & Investigations
- Disputes



TRANSACTIONAL

Kroger Acquires ModernHEALTH

Bass, Berry & Sims represented Modern HC Holdings, Inc., a specialty pharmacy focused on patients with chronic illnesses, in its sale to The Kroger Company, one of the largest retailers in the United States.

Avita Drugs Sold to Long's Drugs

Bass, Berry & Sims represented Avita Drugs Inc., a multi-state specialty pharmacy, in its sale to Long's Drugs Inc., a multi-state comprehensive pharmacy services provider and a portfolio company of Tailwind Capital.

Cardinal Health Acquires RainTree Oncology

Bass, Berry & Sims provided regulatory counsel to Cardinal Health Specialty Solutions in its acquisition of RainTree Oncology Services, a large independent group purchasing organization for oncology practices and clinics.

NewSpring Capital Invests in ContinuumRX

Bass, Berry & Sims represented NewSpring Capital, a family of private equity funds, in its \$13.5 million investment in ContinuumRX, a home infusion therapy provider.

Diplomat Pharmacy Acquires BioRx

Bass, Berry & Sims represented Diplomat Pharmacy, Inc. (NYSE: DPLO), a medication management company for specialized needs, in its acquisition of BioRx, LLC, a highly specialized pharmacy and infusion services company, for \$350 million in cash and stock.

Fred's Inc. Acquires Reeves-Sain Drugstore Inc. and EntrustRx

Bass, Berry & Sims served as pharmacy regulatory counsel to Fred's Inc. (NASDAQ: FRED) in its \$66 million acquisition of Reeves-Sain Drug Store, Inc., a private specialty and retail pharmacy company, and EntrustRx, a nationally licensed specialty pharmacy.

OPERATIONAL

Companies in the specialty pharmacy industry rely on Bass, Berry & Sims for operational guidance. Ongoing representation includes the following:

- Providing regulatory guidance on and assisting in drafting and negotiating pharma services agreements such as adherence services, reimbursement services and free drug programs.
- Providing guidance on data service arrangements among manufacturers, aggregators and specialty pharmacies.
- Structuring limited distribution networks for drug manufacturer, draft associated contracts and providing negotiation support.
- Providing guidance to specialty and retail pharmacies, wholesale distribution centers and reimbursement hub services on co-pay and coupon program services, adverse event or clinical hotline services and associated software and program design agreements.
- Structuring contract arrangements for hospitals, FQHCs, Ryan White Clinics and hemophilia treatment centers to access 340B discounted drugs for eligible patients.
- Conducting compliance reviews on specialty pharmacies including review of sales force interactions with referral sources, service programs with pharmaceutical manufacturers, usual and customary reporting, HIPAA compliance, payor contract compliance, among others.

SURVIVING DILIGENCE

Key Concepts for Specialty Pharmacy Transactions

Excerpt from our article in Specialty Pharmacy Times

Often, buyers and sellers of specialty pharmacies focus so heavily on the financial aspects of the transaction that they overlook important regulatory and operational issues that are essential for proper valuation or which may expose potential risks and liabilities that can undermine the ability to operate the pharmacy successfully.

Diligence is an exhausting and sensitive process. Buyers with a thoughtful game plan and a seasoned deal team will be much more likely to spot the bad deal early and walk away or properly value and close the good deal. For a seller, preparation and a strong deal team can be essential to getting a buyer comfortable and ensuring the deal closes.

During the diligence process, buyers vet SPs for financial strength, operational prowess and regulatory compliance. A review of the following areas allows a seller to highlight its practices and a buyer to get a material understanding of the asset:

- **Quality of Earnings**
- **Sales and Marketing Practices**
- **Reimbursement Practices**
- **Operations**
- **Contracts**
- **Licensure**
- **Compliance**
- **Non-competes**

A good diligence team can help sellers survive diligence and keep buyers from getting less than they bargained for. The best diligence teams not only know the industry, the market and the SP's strategic plan, but also show efficiency and sensitivity in their roles.

Read the full article seen in *Specialty Pharmacy Times* or our website, www.bassberry.com.



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