

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

NOVO NORDISK INC., *et.al.*,

Plaintiffs,

—v—

NORRIS COCHRAN, *et al.*,

Defendants.

Civil Action No. 3:21-cv-00806-FLW-LHG

MEMORANDUM OF LAW IN SUPPORT OF THE MOTION TO
INTERVENE BY AMERICAN HOSPITAL ASSOCIATION,
340B HEALTH, AMERICA'S ESSENTIAL HOSPITALS,
ASSOCIATION OF AMERICAN MEDICAL COLLEGES,
CHILDREN'S HOSPITAL ASSOCIATION, AND AMERICAN SOCIETY
OF HEALTH-SYSTEM PHARMACISTS

Justin P. Walder
James W. Boyan III
PASHMAN STEIN WALDER HAYDEN
A Professional Corporation
Court Plaza South
21 Main Street, Suite 200
Hackensack, NJ 07601
Telephone (201) 488-8200
Facsimile (201) 488-5556
jboyan@pashmanstein.com

William B. Schultz (*pro hac vice forthcoming*)
Margaret M. Dotzel (*pro hac vice forthcoming*)
Casey Trombley-Shapiro Jonas
(*pro hac vice forthcoming*)
ZUCKERMAN SPAEDER LLP
1800 M Street NW, Suite 1000
Washington, DC 20036
Tel: (202) 778-1800
Fax: (202) 822-8106
wschultz@zuckerman.com
mdotzel@zuckerman.com
cjonas@zuckerman.com

Ariella Muller (*pro hac vice forthcoming*)
ZUCKERMAN SPAEDER LLP
485 Madison Avenue, 10th Floor
New York, New York 10022
Tel: (212) 704-9600
Fax: (917) 261-5864
amuller@zuckerman.com

Attorneys for Proposed Intervenor

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American Hospital Association, 340B Health, America's Essential Hospitals, Association of American Medical Colleges, National Association of Children's Hospitals d/b/a Children's Hospital Association, and American Society of Health-System Pharmacists (collectively the "Proposed Intervenor") move this Court, pursuant to Federal Rule of Civil Procedure 24(a) or in the alternative pursuant to Federal Rule of Civil Procedure 24(b), for an Order granting their Motion to Intervene in this lawsuit regarding the 340B Drug Discount Program.

The 340B Program, established by section 340B of the Public Health Service Act, 42 U.S.C. § 256b, requires, as a condition of participating in Medicaid and Medicare Part B, that pharmaceutical manufacturers sell outpatient drugs at a discounted price (no more than the 340B ceiling price) to certain public and not-for-profit hospitals, community health centers, and other federally funded clinics that serve communities with a large numbers of low income patients ("340B providers" (described in the statute as "covered entities")) in order to increase the funding these entities have available to meet the needs of their patients.

Since the beginning of the program, 340B providers have dispensed covered outpatient drugs to their patients through in-house pharmacies and through community pharmacies that have entered into written contracts with hospitals and other providers ("contract pharmacies"). Under the latter arrangements, the 340B provider orders and pays for the 340B drugs, which are then shipped to the contract

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