



NOVARTIS PHARMACEUTICALS CORPORATION  
East Hanover, NJ 07936

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April 30, 2009

Minnesota Board of Pharmacy  
2829 University Avenue Southeast, Suite 530  
Minneapolis, Minnesota 55414-3251

**Re: Novartis Pharmaceuticals Corporation 2008 Annual Report  
Pursuant to Minnesota Statute §151.47**

Dear Sir or Madam:

In connection with the obligations set forth in Minnesota Statute §151.47(f) (Wholesale Drug Distributor Annual Report) I forward to you, on behalf of Novartis Pharmaceuticals Corporation (NPC), the State of Minnesota Payments to Practitioners Reporting Form for **January 1, 2008 through December 31, 2008** (hereinafter "2008 Report"). Subject to the description of methodologies and assumptions set forth below, the attached report is true, accurate and complete to the best of our knowledge and belief, and is based on a good faith understanding of the applicable Minnesota reporting requirements.

Novartis Pharmaceuticals Corporation continues to work diligently through its information technology systems to accurately capture in a comprehensive manner economic benefits provided to each covered Healthcare Professional and Healthcare Organization. Novartis Pharmaceuticals Corporation has created an aggregate spend technology solution that helps automate the marketing expense reporting obligations of various states, including that of Minnesota, and continues to enhance its system to meet reporting obligations in the most accurate manner possible.

NPC has used the following methodologies and assumptions in compiling the 2008 Report:

**Events Organized through Outside Vendors:** NPC continues to implement technology solutions to capture and report payments made by third party vendors organizing events involving HCPs on behalf of NPC. Please note that the 2008 Report only reflects such payments made by third party vendors that are capable of providing expenditure data to NPC.

**Payments to Social Security Number vs. Tax ID Number:** In some limited instances, payments for honoraria and out-of-pocket expenditures for practitioners' activities are made not directly to the practitioner but to a business (e.g., a practitioner's professional corporation) or other healthcare organization, at the practitioner's request. The 2008 Report includes only the direct spend for honoraria and out-of-pocket expenditure reimbursements made to a practitioner if the W9 form which they have submitted specifies their Social Security Number. If, on their W9, the practitioner requests that payments be made to an entity with a Tax Identification Number ("TIN"), those payment are not included in this 2008 Report. The NPC aggregate spend system is currently not capable of matching the practitioner with the TIN to which the payment was made.

**Address Intelligence:** NPC has incorporated the use of state license information and, in the case of individuals possessing multiple state licenses, utilizes additional information to determine where that individual practices. When a healthcare professional maintains a license in multiple states, we use our business rules and address intelligence to identify the state(s) within which healthcare professional practices and apply the relevant state marketing disclosure and reporting requirements.

We consider this cover letter and the information contained in the attached 2008 Report to be confidential. NPC reserves the right to resubmit the 2008 Report if necessary to correct and/or supplement this submission.

If you have any questions or require further clarification regarding this report, please do not hesitate to contact me at 862-778-7075.

Sincerely,

Tracy A. Hegarty, MPH  
Manager Healthcare Compliance  
Novartis Pharmaceuticals Corporation

Attachment