

Michael Einodshofer RPh, Chief Pharmacy Officer
Suzanne Hansen, EVP, Pharmacy Operations

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Dear Maxor Pharmacy Clients,

While these are unprecedented times in many ways – in adversity we find our strength. Over the last few weeks our Maxor employees, and likely many of your employees, read the same headlines, have the same worries, and dealt with the same disrupted work and school environments as everyone else. Yet, they wake every morning and come to work knowing their patients depend on them. Our courageous teams remain strong, committed, and dedicated to keeping our pharmacies open to serve our clients and communities.

However, in light of the COVID-19 crisis, we also recognize we must also carefully create contingency plans and some revised operating procedures within our pharmacies. We thank you for the level of cooperation and engagement we've experienced over the past few weeks, and we look forward to continuing to navigate through these challenging times with you; we are in this together, and together we will prevail.

This communication is regarding our Coronavirus (COVID-19) perspective and business contingency planning for Maxor Pharmacies. Additional communications will be issued as new information becomes available.

COMMENTARY

INTERNAL VIEW – HOW WE ARE MANAGING THROUGH THE CRISIS

- **Status of our Pharmacies and Maxor Operations**
 - All Maxor pharmacies are operational at this time – even in highly impacted hot-spot areas.
 - If staff levels within a pharmacy are materially compromised due to illness, and resources are not available to maintain operations, contingency plans exist to shift fulfillment and other critical duties to other sites of service within Maxor.
 - We have implemented some best practices and modifications to standard operating procedures in conjunction with our clients in order to protect our staff and patients:
 1. We are closely following CDC recommendations related to safety protocols, COVID-19 testing, and return-to-work standards.
 2. We have implemented stricter individual patient/employee risk assessments, attendance rules, and return to work policies.
 - Any employee showing signs of a suspected COVID-19 illness is not permitted to be at work.
 - A dedicated COVID-19 hotline was established for employees.



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3. We are enforcing strict disinfecting protocols within the pharmacies.
4. We are limiting access to lobby area in some pharmacies and delivering medications to patients outside of the pharmacy waiting area.
5. We research supply chain issues daily and manage a list of drugs at risk of experiencing a temporary supply constraint to preserve inventory for current patients on therapy.

- **Drug and Supply Shortage Risk**

- The FDA continues to state there are no material manufacturing-related drug shortages that have emerged due to COVID-19.
- We do not see manufacturers unable to supply APIs (drug ingredients) or finished products at this time.
- We are seeing some developing signals that the supply chain is getting stretched, and some drugs that have made recent headlines (e.g. Hydroxychloroquine) are at risk for temporary supply disruptions as demand has outstripped available supply. **However, the risk for broader drug shortages remains low from our perspective.**
 - We have implemented a “Drug Shortage High Risk” list of medications we believe are at risk of temporary supply disruption.
 - We have issued guidelines to our pharmacies related to how to preserve supply of these medications for current patients.
- Major carriers like UPS continue to report relatively normal operating conditions, and we do not anticipate any material disruptions to our distribution network.

MACRO VIEW – WHAT WE ARE TRACKING OUTSIDE OF OUR COMPANY

Within the U.S.

- COVID-19 testing volume in the U.S. will dramatically increase, creating more confirmed cases.
 - We expect to see markedly *higher* confirmed positive cases over the next few weeks due to viral spread and increased testing.
 - We expect to see the documented fatality rate *decrease* as more patients are diagnosed.
- Multiple drug regimens are entering formal research protocols. We expect to see formal guidelines related to certain drugs currently on the market within 4 to 6 weeks and possible accelerated approvals for some drugs that are not currently approved in the U.S. within the next 3 months. We do not anticipate a widely-available vaccine for 12 to 18 months.



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Outside of the U.S.

- All eyes are on China and South Korea's declining infection rates to see if their efforts to suppress the virus are sustainable.
 - This will help estimate the course of the infection rate in the U.S. and "second wave" resurgence risk once social distancing procedures are relaxed.
 - While case rates continue to increase in Europe and the United States, China's reported infection rates continue to moderate. Anecdotally, during a CNBC interview on 3/18/2020, Starbucks reported 95% of their stores in China are re-opened for business – can this hold?

CLOSING REMARKS

COVID-19 continues to be a very fluid situation. Every day the world learns a little more about this virus. As new information is gleaned, the fear of the unknown diminishes, but that does not mean risk diminishes without taking action on that new information. We, as a country, have taken dramatic action to curtail the reach of this virus, and we are optimistic we will succeed in our mission to minimize its impact.

Now, it is most critical to take steps that decrease the velocity of the infection rate so that our healthcare system can provide care to those who develop complications from this virus. Over time, our society will adapt to this new virus just as it has done with many diseases in the past.

Our pharmacies will remain open, and our call centers are ready to serve those in need during this difficult time. Maxor is committed to partnering with you to conquer this challenge and many other future healthcare challenges after this.

Sincerely,

Mike Einodshofer RPh, Chief Pharmacy Officer

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Maxor National Pharmacy Services

