UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE

In re: NVN Liquidation, Inc., *et al.,* f/k/a NOVAN, INC., Debtors.	**Chapter 11** **Case No.:** 23-10937-LSS **DECLARATION OF KIMBERLY LEONARD**

KIMBERLY LEONARD, declares under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the following is true:

1. I am familiar with the facts and circumstances of this case based on personal knowledge and expertise, and review of the records of the New York State Department of Health ("DOH"). I submit this declaration in opposition to Plaintiffs' objection to DOH's claim of $51,057.87.

2. I am the Director of Medicaid Pharmacy Policy and Elderly Pharmaceutical Insurance Coverage in DOH's Office of Health Insurance Programs ("OHIP"). I have been in this role since September 16, 2021. Before this position, I was the Deputy Director for the Bureau of Narcotic Enforcement at DOH beginning in 2019 when I started working at DOH. In my current role, I am responsible for management of the Medicaid Fee-for-Service drug benefit, focusing on pharmacy policy, formulary development, clinical drug review, and operation/systems. In addition, I am responsible for management of the state drug rebate programs including contractor oversight for the invoicing and collection of drug rebates, and management of all federal and state drug rebate programs including direct, supplemental and outcomes-based agreements.

NEW YORK STATE'S MEDICAID PROGRAM AND PHARMACY BENEFITS

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3. Medicaid was established pursuant to Title XIX of the Social Security Act, 42 U.S.C. §§ 1396, *et seq*. Medicaid was designed as a joint state and federal program to provide medical care to those who would otherwise be unable to bear such expense.

4. DOH, through OHIP, is responsible for the administration of the New York State Medicaid Program ("NYS Medicaid Program"). *See* Social Services Law ("SSL") § 363-a. This includes the administration of the pharmacy program, which covers medically necessary prescription and non-prescription drugs for Medicaid members.

5. In order for a drug to be covered through Medicaid, the drug manufacturer must participate in the federal Medicaid drug rebate program. The program requires a drug manufacturer to enter into, and have in effect, a National Drug Rebate Agreement ("NDRA") with the Secretary of the Department of Health and Human Services ("HHS") in exchange for state Medicaid coverage of their drug(s). The manufacturer is federally mandated to pay rebates to the state for most prescription drugs dispensed to Medicaid members.[1] The manufacturer receives quarterly invoices from DOH that must be paid within 37 days. Interest on the balance begins to accrue on the 38th day from the invoice postmark date, if not paid.

EPI HEALTH, LLC., OUSTANDING MANUFACTURER REBATES

6. EPI Health, LLC, ("EPI Health") is a drug manufacturer that participated in the federal Medicaid Drug Rebate Program. Attached as **Exhibit A** is a screenshot of EPI Health's manufacturer participation verification.

7. As part of the federal Medicaid Drug Rebate Program, EPI Health is responsible for the payment of the quarterly rebate invoice amount which represents EPI Health drugs utilized by Medicaid members.

[1] Available at http://www.ssa.gov/OP_Home/ssact/title19/1927.htm.

8. EPI Health received invoices from DOH for rebates owed for claims paid between the 1st quarter of 2019 through the 1st quarter of 2023, for a total rebate amount of $95,041.25. Attached as **Exhibit B** is EPI Health's Outstanding Rebate Invoice Balance.

9. Of the $95,041.25 owed, EPI Health paid $43,983.38 in rebates owed to DOH. *See id.*

10. EPI Health still had an outstanding balance owed to DOH in the amount of $51,057.87 at the time of the bankruptcy filing. *See id.*

11. Once DOH received notice of the EPI Health, LLC., bankruptcy, a jointly administered bankruptcy, DOH timely submitted a proof of claim on January 16, 2024, for the outstanding balance of rebates owed at the time of filing, totaling $51,057.87. Attached as **Exhibit C** is DOH's Proof of Claim.

WHEREFORE, it is respectfully requested that the Court deny Plaintiff's objection to DOH's claims for $51,057.87.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: May 15, 2026

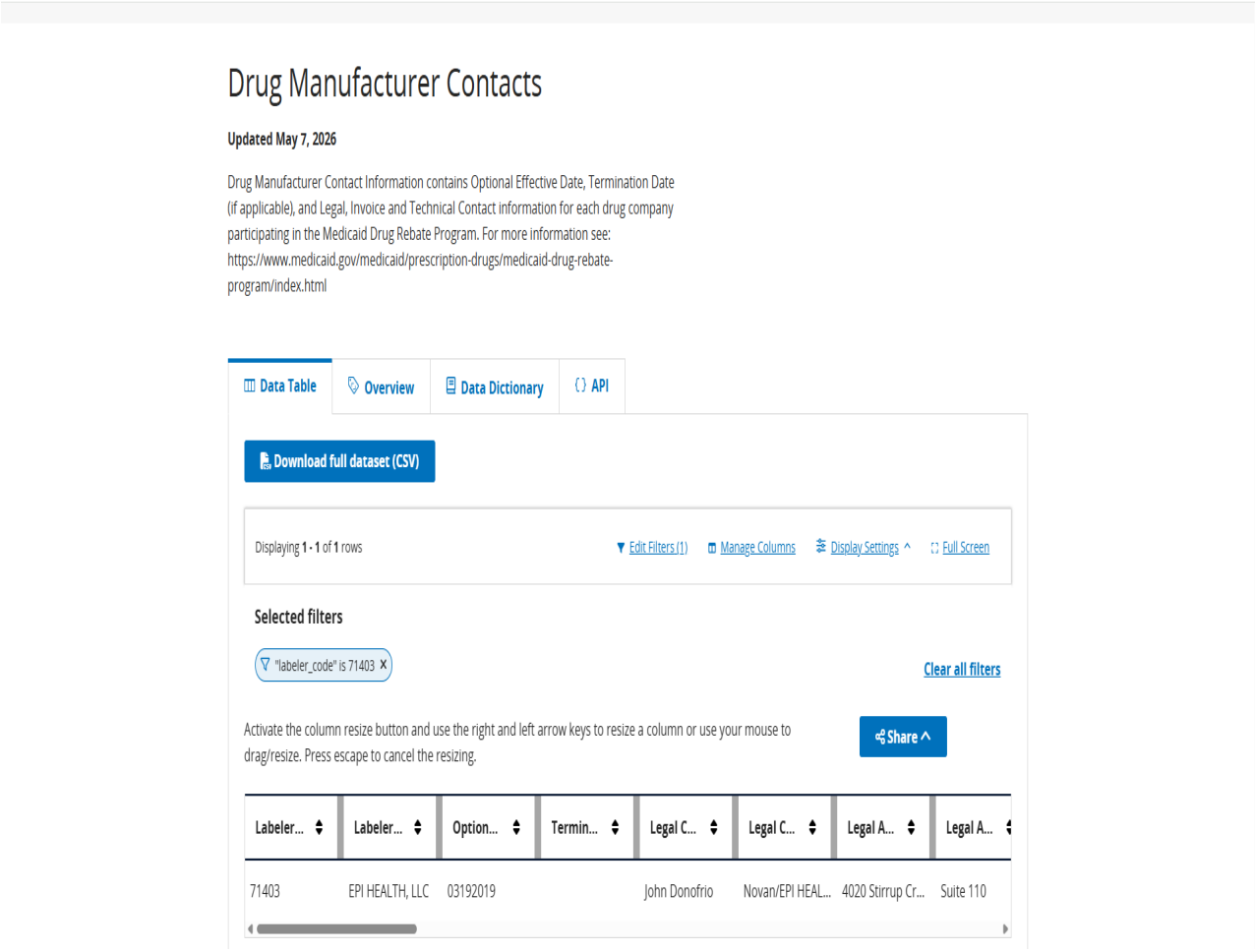
Kimberly A. Leonard

KIMBERLY LEONARD

EXHIBIT A

Accessed via the Medicaid.Gov website on 5/14/2026

https://data.medicaid.gov/dataset/9fcb14ec-d5f0-536e-9938-3f0024531e5b



Drug Manufacturer Contacts

Updated May 7, 2026

Drug Manufacturer Contact Information contains Optional Effective Date, Termination Date (if applicable), and Legal, Invoice and Technical Contact information for each drug company participating in the Medicaid Drug Rebate Program. For more information see: https://www.medicaid.gov/medicaid/prescription-drugs/medicaid-drug-rebate-program/index.html

Data Table | Overview | Data Dictionary | API

Download full dataset (CSV)

Displaying 1 - 1 of 1 rows | Edit Filters (1) | Manage Columns | Display Settings | Full Screen

Selected filters

"labeler_code" is 71403 X

Clear all filters

Activate the column resize button and use the right and left arrow keys to resize a column or use your mouse to drag/resize. Press escape to cancel the resizing.

Share

Labeler...	Labeler...	Option...	Termin...	Legal C...	Legal C...	Legal A...	Legal A...
71403	EPI HEALTH, LLC	03192019		John Donofrio	Novan/EPI HEAL...	4020 Stirrup Cr...	Suite 110

EXHIBIT B

Magellan Rx MANAGEMENT

This report is use

Selected Business Line:	
Selected Client Program:	
Entered Manufacturer:	
Entered Invoice YrQtr Range:	
Run Date & Time:	

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Outstanding Manufacturer Rebate Invoice Balance

Report Filter Information Page

d to identify the outstanding rebate due from manufacturer's for Invoice YrQtr's and NDC's

Parameters for this report execution —

All Available Business Lines

State of New York - New York Drug Cap FFS, New York Drug Cap MCO, New York Elderly Pharmaceutical Insurance Coverage Program (EPIC), NY Diabetic Supply Program, NY End AIDS FFS Supplemental Program, NY End AIDS MCO Supplemental Program, NY Medicaid FFS Rebate Program, NY Medicaid MCO Rebate Program, NY Medicaid NMPL Program, NY State Direct Contracting Program

71403

All Invoice YrQtrs

Jul 20, 2023 2:09:52 PM

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Outstanding Manufacturer Rebate Invoice Balance

Client : State of New York

Program ID	Invoice YrQtr	Manufacturer Code	Manufactu
NYHFFS	20231	71403	EPI HEALTH, LLC
20231 - Total			
NYHFFS	20224	71403	EPI HEALTH, LLC
20224 - Total			
71403 - Total			
NYHFFS - Total			
NYHMCO	20231	71403	EPI HEALTH, LLC
20231 - Total			
NYHMCO	20224	71403	EPI HEALTH, LLC
20224 - Total			
NYHMCO	20223	71403	EPI HEALTH, LLC
20223 - Total			
NYHMCO	20213	71403	EPI HEALTH, LLC
20213 - Total			
NYHMCO	20203	71403	EPI HEALTH, LLC
20203 - Total			
NYHMCO	20201	71403	EPI HEALTH, LLC
20201 - Total			
NYHMCO	20191	71403	EPI HEALTH, LLC
NYHMCO	20191	71403	EPI HEALTH, LLC
20191 - Total			
71403 - Total			
NYHMCO - Total			
Overall - Total			

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ɹrer Name	NDC	Label Name	GSN	Invoice Number
	71403000330	RHOFADE 1% CREAM	77067	NYHFFS-71403-20231
	71403000330	RHOFADE 1% CREAM	77067	NYHFFS-71403-20224
	71403000330	RHOFADE 1% CREAM	77067	NYHMCO-71403-20231
	71403000330	RHOFADE 1% CREAM	77067	NYHMCO-71403-20224
	71403000330	RHOFADE 1% CREAM	77067	NYHMCO-71403-20223
	71403000330	RHOFADE 1% CREAM	77067	NYHMCO-71403-20213
	71403004401	NUVAIL NAIL 16% SOLUTION	69443	NYHMCO-71403-20203
	71403004902	SITAVIG 50 MG BUCCAL TABLET	72344	NYHMCO-71403-20201
	71403000704	BIONECT 0.2% CREAM	59715	NYHMCO-71403-20191
	71403004401	NUVAIL NAIL 16% SOLUTION	69443	NYHMCO-71403-20191

Current Unit Rate	Original Invoice Units	Current Units	Paid Units	Units Due
10.6163	240.000	240.000	0.000	240.000
	240.000	**240.000**	**0.000**	**240.000**
11.5748	210.000	210.000	0.000	210.000
	210.000	**210.000**	**0.000**	**210.000**
	450.000	**450.000**	**0.000**	**450.000**
	450.000	**450.000**	**0.000**	**450.000**
10.6163	2,040.000	2,040.000	0.000	2,040.000
	2,040.000	**2,040.000**	**0.000**	**2,040.000**
11.5748	1,620.000	1,890.000	0.000	1,890.000
	1,620.000	**1,890.000**	**0.000**	**1,890.000**
11.3915	1,590.000	1,980.000	1,590.000	390.000
	1,590.000	**1,980.000**	**1,590.000**	**390.000**
7.4181	1,680.000	1,740.000	1,740.000	0.000
	1,680.000	**1,740.000**	**1,740.000**	**0.000**
0.0000	120.000	135.000	120.000	15.000
	120.000	**135.000**	**120.000**	**15.000**
316.1806	52.000	35.000	41.000	(6.000)
	52.000	**35.000**	**41.000**	**(6.000)**
0.0000	100.000	100.000	0.000	100.000
0.0000	15.000	15.000	0.000	15.000
	115.000	**115.000**	**0.000**	**115.000**
	7,217.000	**7,935.000**	**3,491.000**	**4,444.000**
	7,217.000	**7,935.000**	**3,491.000**	**4,444.000**
	7,667.000	**8,385.000**	**3,491.000**	**4,894.000**

Disputed Units	Total Rebate Amount	Rebate Amount Paid	Rebate Amount Due
0.000	$2,547.91		$2,547.91
0.000	**$2,547.91**		**$2,547.91**
0.000	$2,430.71		$2,430.71
0.000	**$2,430.71**		**$2,430.71**
0.000	**$4,978.62**		**$4,978.62**
0.000	**$4,978.62**		**$4,978.62**
0.000	$21,657.25		$21,657.25
0.000	**$21,657.25**		**$21,657.25**
0.000	$21,876.38		$21,876.38
0.000	**$21,876.38**		**$21,876.38**
0.000	$22,555.18	$18,112.49	$4,442.69
0.000	**$22,555.18**	**$18,112.49**	**$4,442.69**
0.000	$12,907.50	$12,907.49	$0.01
0.000	**$12,907.50**	**$12,907.49**	**$0.01**
0.000	$0.00	$0.00	$0.00
0.000	**$0.00**	**$0.00**	**$0.00**
0.000	$11,066.32	$12,963.40	($1,897.08)
0.000	**$11,066.32**	**$12,963.40**	**($1,897.08)**
0.000	$0.00		$0.00
0.000	$0.00		$0.00
0.000	**$0.00**		**$0.00**
0.000	**$90,062.63**	**$43,983.38**	**$46,079.25**
0.000	**$90,062.63**	**$43,983.38**	**$46,079.25**
0.000	**$95,041.25**	**$43,983.38**	**$51,057.87**

EXHIBIT C

Fill in this information to identify the case:

Debtor EPI Health, LLC

United States Bankruptcy Court for the: _____ District of Delaware (State)

Case number 23-10938

Official Form 410
Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) **that you received.**

Part 1: Identify the Claim

1. **Who is the current creditor?**
   New York State Department of Health
   Name of the current creditor (the person or entity to be paid for this claim)
   Other names the creditor used with the debtor _____

2. **Has this claim been acquired from someone else?**
   ☑ No
   ☐ Yes. From whom? _____

3. **Where should notices and payments to the creditor be sent?**
   Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Where should notices to the creditor be sent?	**Where should payments to the creditor be sent?** (if different)
See summary page	
Contact phone 518-776-2603	Contact phone _____
Contact email robert.rock@ag.ny.gov	Contact email _____

   Uniform claim identifier for electronic payments in chapter 13 (if you use one):
   _

4. **Does this claim amend one already filed?**
   ☑ No
   ☐ Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**
   ☐ No
   ☑ Yes. Who made the earlier filing? _____

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Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. **Do you have any number you use to identify the debtor?**

☑ No

☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ___ ___ ___ ___

7. **How much is the claim?** $ 51,057.87 . **Does this amount include interest or other charges?**

☑ No

☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. **What is the basis of the claim?**

Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.

Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).

Limit disclosing information that is entitled to privacy, such as health care information.

Pharmaceutical purchases made by the State for the Medicaid and EPIC programs

9. **Is all or part of the claim secured?**

☑ No

☐ Yes. The claim is secured by a lien on property.

Nature or property:

☐ Real estate: If the claim is secured by the debtor's principle residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.

☐ Motor vehicle

☐ Other. Describe: _____

Basis for perfection: _____

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: $_____

Amount of the claim that is secured: $_____

Amount of the claim that is unsecured: $_____ (The sum of the secured and unsecured amount should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: $_____

Annual Interest Rate (when case was filed)_____%

☐ Fixed

☐ Variable

10. **Is this claim based on a lease?**

☑ No

☐ Yes. **Amount necessary to cure any default as of the date of the petition.** $_____

11. **Is this claim subject to a right of setoff?**

☑ No

☐ Yes. Identify the property: _____

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12. **Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

		Amount entitled to priority
☑	No	
☐	Yes. *Check all that apply:*	
☐	Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	$
☐	Up to $3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	$
☐	Wages, salaries, or commissions (up to $15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	$
☐	Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	$
☐	Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	$
☐	Other. Specify subsection of 11 U.S.C. § 507(a)(__) that applies.	$

* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. **Is all or part of the claim entitled to administrative priority pursuant to 11 U.S.C. 503(b)(9)?**

☑ No

☐ Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

$_____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☑ I am the creditor.

☐ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 01/16/2024
MM / DD / YYYY

/s/Tracy L. Hennige
Signature

Print the name of the person who is completing and signing this claim:

Name: Tracy L. Hennige
First name Middle name Last name

Title: Senior Attorney

Company: New York State Department of Health
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address

Contact phone _____ Email _____



KCC ePOC Electronic Claim Filing Summary

For phone assistance: Domestic (888) 251-2954 | International (310) 751-2614

Debtor:
23-10938 - EPI Health, LLC
District:
District of Delaware

Creditor:
New York State Department of Health
Robert J. Rock, Assistant Attorney General
The Capitol

Albany, New York, 12224
United States
Phone:
518-776-2603
Phone 2:
518-380-3240
Fax:

Email:
robert.rock@ag.ny.gov

Has Supporting Documentation:
No supporting documentation
Related Document Statement:

Has Related Claim:
Yes
Related Claim Filed By:

Filing Party:
Creditor

Other Names Used with Debtor:

Amends Claim:
No
Acquired Claim:
No

Basis of Claim:
Pharmaceutical purchases made by the State for the Medicaid and EPIC programs

Last 4 Digits:
No

Uniform Claim Identifier:

Total Amount of Claim:
51,057.87

Includes Interest or Charges:
No

Has Priority Claim:
No

Priority Under:

Has Secured Claim:
No
Amount of 503(b)(9):
No
Based on Lease:
No
Subject to Right of Setoff:
No

Nature of Secured Amount:
Value of Property:
Annual Interest Rate:
Arrearage Amount:
Basis for Perfection:
Amount Unsecured:

Submitted By:
Tracy L. Hennige on 16-Jan-2024 9:31:53 a.m. Eastern Time
Title:
Senior Attorney
Company:
New York State Department of Health

VN: 2018F6C4B69A1522E878C5B0CE91B5A6