

September 3, 2015

Dear Manufacturers,

I am writing on behalf of St. Joseph Medical Center (SJMC) – 340B ID DSH500108 – to inform manufacturers that St. Joseph Medical Center recently underwent an audit by the Health Resources and Services Administration (HRSA) of St. Joseph Medical Center's compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, St. Joseph Medical Center qualified for the 340B Program as a disproportionate share hospital in Tacoma, Washington, and has participated in the 340B Program since April 1, 2005.

Through the audit process, St. Joseph Medical Center was found to have non-compliance within the 340B Program and may be responsible for repayment as a result of the following findings:

- SJMC dispensed 340B drugs to ineligible individuals, as prohibited by 42 USC 256b(a)(5)(B)
- SJMC does not have adequate controls to prevent duplicate discounts which may have resulted in duplicate discounts as prohibited by 42 USC 256b(a)(5)(A)

Regarding the finding of 340B drugs dispensed to ineligible individuals, St. Joseph Medical Center has identified all affected manufacturers and has contacted each to notify them of these violations to begin a dialogue on a method for repayment to affected manufacturers. Notification letters were sent in May 2015 informing manufacturers of the violation and repayment owed. Regarding the finding that duplicate discounts may have occurred, St. Joseph Medical Center has confirmed with Washington State Medicaid that no claims related to this finding resulted in a duplicate discount.

If manufacturers have not received notification from St. Joseph Medical Center and believe repayment may be owed for the violations described in this letter, or if you have any questions or comments regarding violations described in this letter please contact Cindy Wilson, 340B Program Manager, 253-426-6692 or [cindywilson@chifranciscan.org](mailto:cindywilson@chifranciscan.org).

Sincerely,



Mike Fitzgerald  
Chief Financial Officer  
CHI Franciscan Health