

April 13, 2015

Dear Manufacturers,

I am writing on behalf of Coney Island Hospital, 340B ID DSH330196, to inform manufacturers that Coney Island Hospital recently underwent an audit by the Health Resources and Services Administration (HRSA) of Coney Island Hospital's compliance with 340B Drug Pricing Program (340B) requirements.

As background, Coney Island Hospital qualified for the 340B Program as a Disproportionate Share Hospital at 2601 Ocean Parkway, Brooklyn, New York 11235 and has participated in the 340B Program since 1992.

Through the audit process, Coney Island Hospital was found to have non-compliance within their 340B Program and responsible for repayment as a result of the following findings:

Coney Island Hospital's contract pharmacies dispensed 340B drugs to ineligible providers, as prohibited by 42 USC 256b(a)(5)(B).

14 out of 30 prescriptions from contract pharmacies sampled were deemed 340B-eligible even though they should not have been eligible. The prescriptions were written by ineligible providers who had treated the patient at other private practices. In addition, the auditor found that CaptureRx deemed these prescriptions as eligible based on the patients' visits to Coney Island Hospital with a 12-month eligibility period. The 12-month eligibility period did not screen the patient-provider relationship or the patient referral process, thereby capturing prescriptions written at other provider practices.

Coney Island Hospital reversed the 14 prescriptions from contract pharmacies that should not have been eligible, and removed the ineligible providers from the Coney Island Hospital's list of eligible providers.

Coney Island Hospital 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. If manufacturers have not received notification from Coney Island Hospital and believe repayment may be owed for the violation described in this letter, or if you have any questions or comments regarding the violation described in this letter, within the next 90 days from the date of this letter, please contact Mr. Paul A. Albertson, Sr. Assistant Vice President, Supply Chain Services, New York City Health and Hospitals Corporation, 160 Water Street, 13th Floor, New York, NY 10038, telephone number 212-748-2256, email: paul.albertson@nychhc.org.

Sincerely yours,

Antonio D. Martin