

June 10, 2015

Dear Manufacturers,

I am writing on behalf of Jacobi Medical Center, 340B ID DSH330127, to inform manufacturers that Jacobi Medical Center recently underwent an audit by the Health Resources and Services Administration (HRSA) of Jacobi Medical Center's compliance with 340B Drug Pricing Program (340B) requirements.

As background, Jacobi Medical Center qualified for the 340B Program as a Disproportionate Share Hospital at 1400 Pelham Parkway South, Bronx, New York 10461 and has participated in the 340B Program since 1992.

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

Jacobi Medical Center dispensed 340B drugs to ineligible providers, as prohibited by 42 USC 256b(a)(5)(B).

The sample revealed that Jacobi's contract pharmacies deemed two prescriptions 340B-eligible even though they should not have been eligible. The prescriptions were written by providers at ineligible sites (private offices which were not reimbursable on Jacobi's Medicare cost report) without an arrangement demonstrating that responsibility of care provided remained at Jacobi. In addition, the auditor found that the 12 month eligibility period did not screen the patient-provider relationship or the patient referral process. It was also noted that the electronic medical record system did not update the billing software, thus allowing the third party pharmacy benefits manager to consider deactivated providers as eligible prescribers.

Jacobi Medical Center reversed the 2 prescriptions from contract pharmacies that should not have been eligible, and removed the ineligible providers from Jacobi medical Center's list of eligible providers.

Jacobi 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. If manufacturers have not received notification from Jacobi Medical Center 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