

The University of Chicago Medical Center  
5841 S. Maryland Avenue  
Chicago, Illinois 60637

September 3, 2015

Dear Manufacturers:

I am writing on behalf of The University of Chicago Medical Center (“UCMC”) (DSH140088) to inform manufacturers that UCMC recently underwent an audit by the Health Resources and Services Administration (“HRSA”) of UCMC’s compliance with 340B Drug Pricing Program (“340B Program”) requirements.

As background, UCMC qualified for the 340B Program as a Disproportionate Share Hospital and has participated in the 340B Program since October 1, 2003.

Through the audit process, UCMC was found to have non-compliance within its 340B Program and is responsible for repayment as a result of the following finding:

UCMC dispensed 340B drugs to ineligible individuals as prohibited by 42 USC 256b(a)(5)(B). HRSA’s audit sample revealed that UCMC’s retail pharmacy incorrectly deemed one prescription 340B eligible where the patient was provided a healthcare service at an ineligible site without an arrangement demonstrating that responsibility for the care remained with UCMC. In addition, UCMC’s inventory system in the retail pharmacy used a method of reverse-replenishment, which HRSA concluded does not meet the patient definition guidelines and therefore constituted diversion, as prohibited by 42 USC 256b(a)(5)(B).

UCMC has identified all affected manufacturers and is contacting each to notify them of these violations and to begin a dialogue on a method of repayment to affected manufacturers. If manufacturers have not received notification from UCMC and believe repayment may be owed for violations described in this letter, or if you have any questions or comments regarding the violations described in this letter, please contact Lida Kreidich, Assistant Director for Pharmacy Finance, at (773) 702-3582 or 5841 S. Maryland Ave., MC 0010 - Rm TE026, Chicago, Illinois 60637.

Sincerely,

James Watson  
Chief Financial Officer