

Dear Manufacturers,

I am writing on behalf of Presence Saints Mary and Elizabeth Medical Center (340B ID # DSH140180) (“Presence” or “PSMEMC”) to inform manufacturers that PSMEMC recently underwent an audit by the Health Resources and Services Administration (HRSA) of PSMEMC’s compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, PSMEMC qualified for the 340B Program as a disproportionate share hospital in Chicago, Illinois and has participated in the 340B Program since July 1, 2003.

Through the audit process, PSMEMC was found to have non-compliance within their 340B Program and may be responsible for repayment as a result of the following finding(s):

1. “PSMEMC dispensed 340B drugs to ineligible individuals, as prohibited by section 340B(a)(5)(B) of the PHSA.”

In order to address this issue, which was generally related to a subset of patients treated by prescribers related to PSMEMC outside of PSMEMC 340B covered entity space, PSMEMC has (a) increased the frequency of updates to its “Eligible Prescriber” listing, (b) filtered out certain hospital locations from the patient eligibility calculation via its 340B software and (c) significantly narrowed the prescription eligibility window. The change was implemented as of June 2, 2016 and PSMEMC will conduct follow-up audits consistent with the corrective action plan approved by HRSA to help ensure that 340B drugs are not dispensed to ineligible individuals.

2. “PSMEMC listed incorrect or incomplete information on the 340B Medicaid Exclusion File. This may have resulted in duplicate discounts as prohibited by section 340B(a)(5)(A) of the PHSA.”

At the time of the audit PSMEMC did not include an NPI in the 340B Medicaid Exclusion File for one child site (PSMEMC’s Oncology Infusion Center-DSH140180A). That omission has been corrected since the time of the audit. PSMEMC continues to believe that no duplicate discounts occurred since Illinois Medicaid billing requirements were observed.

PSMEMC has identified all affected manufacturers and will contact 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 PSMEMC and believe repayment may be owed for the violations described in this letter, or if you have any questions or comments regarding the violations described in this letter, please contact Rick Fischer, 340B Program Director at 1000 Remington Blvd., Suite 100, Bolingbrook, IL 60440, Rick.Fischer@PresenceHealth.org or 630.914.2872.