



VENTURA COUNTY
MEDICAL CENTER

June 9, 2016

Dear Manufacturers,

I am writing on behalf of Ventura County Medical Center (340B ID #DSH050159) (VCMC) to inform manufacturers that VCMC recently underwent an audit by the Health Resources and Services Administration (HRSA) of VCMC's compliance with 340B Drug Pricing Program (340B Program) requirements. As set forth in more detail below, some of HRSA's audit findings implicate issues that potentially could result in VCMC owing refunds to manufacturers for certain prescriptions that should not have been subject to a discount under the 340B Program. The purpose of this letter is to advise potentially impacted manufacturers of the HRSA audit findings to the extent they may make VCMC liable for refunds to those manufacturers.

As background, Ventura County Medical Center qualified for the 340B Program as a Disproportionate Share Hospital (DSH) located at 3291 Loma Vista Road, Ventura, California 93003 and has participated in the 340B Program since December 1, 1992.

Through the HRSA audit process, Ventura County Medical Center was found to be non-compliant with 340B Program requirements in the following ways:

- Ventura County Medical Center obtained covered outpatient drugs through a group purchasing organization (GPO), which is prohibited for DSH hospitals that are participating in the 340B program.
- Ventura County Medical Center dispensed 340B drugs to individuals who were not "eligible" to receive 340B prescriptions, as established by section 340B(a)(5)(B) of the Public Health Services Act (PHSA).
- Ventura County Medical Center did not have adequate controls in place to ensure proper accumulation and prevention of diversion of 340B drugs, as prohibited by section 340B(a)(5)(B) of the PHSA.
- Ventura County Medical Center 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.

VCMC ultimately accepted HRSA's audit findings and submitted a Corrective Action Plan (CAP) to the agency setting forth measures that VCMC would take to prevent similar violations of 340B policy from happening in the future. HRSA accepted VCMC's CAP by letter dated May 24, 2016. Although, due to the steps outlined in its CAP, VCMC does not anticipate recurrence of the problems identified through the HRSA audit, VCMC recognizes that it potentially may be liable to manufacturers for refunds in connection with the past non-compliance with 340B requirements.

Consistent with the foregoing, VCMC 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 VCMC 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 Joseph Flynn, RPh, Pharmacy Operations Supervisor, 805-652-5758, 3291 Loma Vista Road, Ventura, CA 93003.