

Eau Claire Cooperative Health Centers, Inc.

Our 33rd Year of Community Service

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February 4, 2015

Dear Manufacturers,

I am writing on behalf of Eau Claire Cooperative Health Centers, Inc. (ECCHC; 340B ID CH043270) to inform manufacturers that ECCHC recently underwent an audit by the Health Resources and Services Administration (HRSA) of ECCHC's compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, ECCHC qualified for the 340B program as a Federally Qualified Health Center (FQHC) located in Columbia, South Carolina and throughout Richland, Lexington, Fairfield, and Newberry counties. ECCHC has participated in the 340B Program since April 1, 2002.

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

- ECCHC dispensed 340B drugs to ineligible individuals, as prohibited by 42 USC256b (a) (5) (B).
- ECCHC was billing Medicaid contrary to information contained in the HRSA Medicaid Exclusion File. This action may have resulted in duplicate discounts as prohibited by 42 USC 256b (a)(5)(A).

Since the audit the 340B database has been updated to reflect that we are billing FFS Medicaid on a "carve-in" basis. Despite the information being incorrect on the HRSA Medicaid Exclusion File, we received confirmation in April 2014 from SC DHHS that SC FFS Medicaid did not seek rebates on any ECCHC claims.

ECCHC is in the process of identifying all affected manufacturers and will contact each to notify them of these violations to begin dialogue on a method of repayment to affected manufacturers. If manufacturers have not received notification from ECCHC and believe repayment may be owed for violations described in this letter, or if you have any questions or comments regarding the violation described in this letter please contact:

Dr. Stuart Hamilton, Chief Executive Officer
1800 Saint Julian Place, Suite 206
Columbia, SC 29204
Telephone: 803-733-5969

The 340B program is vital to fulfilling ECCHC's mission of providing comprehensive, high quality compassionate Medical care in the spirit of the Good Samaritan. This program is a valuable asset to the patients and communities we serve in South Carolina.



Dr. Stuart Hamilton, CEO
Eau Claire Cooperative Health Centers, Inc.