

Dear Manufacturers,

I am writing on behalf of Planned Parenthood Hudson Peconic (PPHP) (340B ID FP105322) to inform manufacturers that PPHP recently underwent an audit by the Health Resources and Services Administration (HRSA) of PPHP's compliance with 340B Drug Pricing Program (340B Program) requirements. The HRSA audit identified a duplicate discount finding that could potentially result in PPHP owing repayments to manufacturers. PPHP decided to accept the audit findings, and is currently in the process of investigating further to determine whether any amounts are owed to manufacturers. Once its investigation has concluded, PPHP will notify all affected manufacturers to offer repayment. The findings and PPHP's corrective actions are discussed in more detail below.

As background, PPHP qualifies for the 340B Program as a provider of family planning services, and has participated in the 340B Program since 1998. The audit covered eleven (11) associated clinics, whose locations and 340B identification numbers are listed at the end of this letter, for services provided during the period September 1, 2013 to February 28, 2014.

#### Audit Finding- Duplicate Discounts

The HRSA audit report states that "PPHP 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)." The issue arose because PPHP's election on the OPA database incorrectly reflected that PPHP did not use 340B drugs for its Medicaid patients. Effective May 14, 2013, the OPA database correctly shows that PPHP uses 340B drugs for Medicaid patients and includes PPHP's Medicaid billing number and NPI. PPHP is investigating this issue and will offer repayment of 340B discounts to any manufacturer which was subject to a duplicate discount. The letter to the affected manufacturer will include a brief summary of the finding, a description of PPHP's corrective action plan and a list of the manufacturer's drugs subject to a refund offer. In addition, PPHP has taken other numerous steps to avoid recurrence of the problem, which have been documented and submitted to HRSA as part of a corrective action plan.

In addition to the PPHP location in Hawthorne (340B ID FP105322), the eleven other PPHP locations audited by HRSA were:

PPHP-Brewster – 340B ID FP10509  
PPHP-Mount Vernon – 340B ID FP105501  
PPHP-White Plains – 340B ID FP106072  
PPHP-Yonkers – 340B ID FP107012  
PPHP-New Rochelle – 340B ID FP108011  
PPHP-Spring Valley – 340B ID FP10977  
PPHP-Huntington – 340B ID FP117437  
PPHP-Patchogue – 340B ID FP117726  
PPHP-Smithtown – 340B ID FP117879  
PPHP-West Islip – 340B ID FP117951  
PPHP-Riverhead – 340B ID FP119016

As stated above, PPHP will contact any affected manufacturer if, as a result of its investigations, it determines that a manufacturer is owed a refund. If manufacturers have not received notification from PPHP and believe repayment may be owed for the issues described in this

letter, or if you have any questions or comments regarding the issues described in this letter, please contact Andrew J. Bracco, Chief Financial Officer at 914-467-7335 or [Andrew.Bracco@pphp.org](mailto:Andrew.Bracco@pphp.org).

Sincerely,

Andrew J. Bracco  
Chief Financial Officer