

Beth Israel Deaconess Medical Center  
Draft Public Letter

Dear Manufacturers:

I am writing on behalf of Beth Israel Deaconess Medical Center (BIDMC), 340B ID DSH 220086, to inform manufacturers that BIDMC recently underwent an audit by the Health Resources and Services Administration (HRSA) of BIDMC's compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, BIDMC qualifies for the 340B Program as a disproportionate share hospital (DSH) and is located in Boston, Massachusetts. It participated in the 340B Program beginning October 2009.

Through the audit process, HRSA found BIDMC to have non-compliance within its 340B Program and responsible for repayment as a result of the following findings:

- (1) "BIDMC dispensed 340B drugs to ineligible individuals as prohibited by 42 U.S.C. § 256(a)(5)(B)."
- (2) "BIDMC had inaccurate information in the HRSA Medicaid Exclusion File."

With regard to the first finding, BIDMC has identified the manufacturers affected by these findings and will contact and notify them of the findings to begin a dialogue on repayment. With regard to the second finding, BIDMC notes that its election on the HRSA Exclusion File stated that it would not use 340B drugs for Medicaid fee-for-service patients, contrary to BIDMC's actual practice. The Massachusetts Medicaid agency, MassHealth, however, requires covered entities to include modifiers on their claims to identify 340B drugs. All of BIDMC's claims to MassHealth during the audit period included the required 340B modifiers. BIDMC contacted MassHealth about this audit finding and MassHealth confirmed that it has not requested rebates on claims for 340B drugs submitted by BIDMC during the audit period. Therefore, BIDMC's position is that no duplicate discounts occurred as a result of the inaccurate information in the HRSA Medicaid Exclusion File.

If manufacturers do not receive notification from BIDMC and believe repayment may be owed, or if manufacturers have any questions or comments regarding these findings, please contact George Ogin, Senior Director, Financial Analysis and Regulatory Reporting, 109 Brookline Ave., Boston, MA, 02215, or (617) 667-5089, [gogin@bidmc.harvard.edu](mailto:gogin@bidmc.harvard.edu).

Sincerely,

Steven Fischer  
Chief Financial Officer  
Authorizing Official

