

Orchard Hospital  
240 Spruce Street,  
Gridley, CA 95948

December 30, 2015

Dear Manufacturers,

I am writing on behalf of Orchard Hospital (OH), formerly known as Biggs Gridley Memorial Hospital (BGMH, 340B ID#CAH051311-00), to inform manufacturers that Orchard Hospital recently underwent an audit by the Health Resources and Services Administration (HRSA) of Orchard Hospital's compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, Orchard Hospital qualified for the 340B Program as a Critical Access Hospital located in Gridley, CA and has participated in the 340B Program since January 1, 2011. Through the audit process, Orchard Hospital was found to have non-compliance within their 340B Program, and is responsible for repayment as a result of the following finding(s):

**Finding 1: Orchard Hospital (BGMH) did not have adequate controls to prevent duplicate discounts which may have resulted in duplicate discounts as prohibited by 42 USC 256b(a)(5)(A).** OH is working with affected manufacturers to notify them of violations, and to also begin a dialogue on a method of repayment. This was due to an oversight by the previous administration, and was rectified in January 2014. Not only will this letter be posted on the Office of Pharmacy Affairs (OPA) website, but it will also be sent to manufacturers' that have been identified as affected by this duplicate discount oversight.

**Finding 2: Orchard Hospital (BGMH) dispensed 340B drugs to ineligible individuals, as prohibited by 42 USC 256b(a)(5)(B).** This occurred due to a provider that is affiliated with an outside practice that has privileges at our hospital. This was corrected upon discovery in January 2014, and led to OH changing our policy to exclude any provider that also works at an unaffiliated practice.

Orchard Hospital, formerly known as Biggs Gridley Memorial Hospital, 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 Orchard Hospital, formerly known as Biggs Gridley Memorial Hospital, 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 Matt Washburn, 340B Program Manager, (530) 846-9064, 240 Spruce St. Gridley, CA, 95948.

The 340B Program is vital to Orchard Hospital as we strive to meet the ever increasing healthcare needs of our community. This program has allowed OH to support the low-income and other vulnerable patients in our area access to life saving drugs, primary care, and other vital services. Thank you for participating in the 340B Program.

Sincerely,

Matt Washburn  
340B Program Manager  
Orchard Hospital