

Hermann Area Hospital District
P.O. Box 470
Hermann, MO 65041

May 27, 2015

Dear Manufacturers:

I am writing of behalf of Hermann Area Hospital District dba\ Hermann Area District Hospital (HAHD), 340B ID CAH261314-00, to inform manufacturers that HAHD recently underwent an audit by the Health Resources and Services Administration (HRSA) of HRMC's compliance with the 340B Drug Pricing Program (340B Program) requirements.

As background, HAHD qualified for the 340B Program as a Critical Access Hospital located in Hermann, MO and has participated in the 340B Program since August 12, 2010.

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

HAHD had inaccurate information in the HRSA Medicaid Exclusion File. HAHD incorrectly responded "yes" to the question, "Will you bill Medicaid for drugs purchased at the 340b pricing." This was contrary to our practice and policies and procedures. Immediately following the audit we corrected our record to say "No". We also modified our policies to include that controls to verify 340B eligibility and prevent diversion of 340B drugs at the contract pharmacy, to include monitoring procedures for eligibility determinations used at contract pharmacies and reconciliation of dispensing and purchasing records to ensure that diversion has not occurred. Since no actual diversion or duplicate discounts occurred, no repayment is necessary.

Hermann Area Hospital District has identified that there are no affected manufacturers since no diversion or duplicate discounts occurred, so no specific manufacturer were contacted. If manufacturers have not received notification from HAHD 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:

Dan McKinney
Administrator
Hermann Area District Hospital
P.O. Box 470
Hermann, MO 65041

Participation in the 340B Program is vital to fulfillment of Hermann Area District Hospital's mission of providing exceptional, compassionate, and personalized healthcare to our community by providing necessary financial support to a small, independent Critical Access Hospital.

Sincerely,

Dan McKinney
Administrator