



October 1, 2015

Dear Manufacturers,

I am writing on behalf of Palmetto Health Baptist (DSH420086) to inform manufacturers that Palmetto Health Baptist recently underwent an audit by the Health Resources and Services Administration (HRSA) of Palmetto Health Baptist's compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, Palmetto Health Baptist qualified for the 340B Program as a Disproportionate Share Hospital in Columbia, SC and has participated in the 340B Program since July 1st 2006.

Through the audit process, the following issue was identified.

1. Palmetto Health Baptist's contract pharmacies dispensed 340B drugs to ineligible individuals, as prohibited by 42 USC256b(a)(5)(B).

Both of the above matter was voluntarily disclosed to HRSA at the time of audit, as these matters had been previously identified through a self-compliance audit and were in the process of being resolved.

Palmetto Health Baptist has taken the following actions to correct the issues.

1. The data feed error which led to the diversion identified was corrected and sufficient controls were implemented via the third party vendor to prevent diversion in the contract pharmacies.
2. All the prescriptions filled by the contract pharmacies were audited for eligibility. The prescriptions that were identified as ineligible, including the ones in the HRSA audit, were fully credited, along with any associated fees, through the third party vendor.
3. Palmetto Health Baptist has identified all affected manufacturers and is in the process of contacting 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 Palmetto Health Baptist 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 David Amsden, PharmD / System Director of Pharmacy / 803-434-2535 / dave.amsden@palmettohealth.org

Sincerely,

James Bridges
Palmetto Health Authorizing Official