

April 25, 2016

Dear Manufacturers,

I am writing on behalf of Kaleida Health (340B ID DSH330005) ("Kaleida") to inform manufacturers that Kaleida recently underwent an audit by the Health Resources and Services Administration (HRSA) of Kaleida's compliance with the 340B Drug Pricing Program (340B Program) requirements.

As background, Kaleida qualified for the 340B Program as a disproportionate share hospital in Buffalo, New York and has participated in the 340B Program since 2006.

Through the audit process, it is the opinion of HRSA that Kaleida has a non-compliance within their 340B program and must repay as a result of the following finding:

Kaleida dispensed 340B drugs to ineligible individuals, as prohibited by section 340(a)(5)(B) of the PHSA.

Kaleida has identified all affected manufacturers and contacted each to notify them of this finding to begin a dialogue on a method for repayment to affected manufacturers. If any manufacturers have not received notification from Kaleida and believe repayment may be owed for the finding described in this letter, or if you have any questions or comments regarding the finding described in this letter, please contact Lorraine Duthe, Esq., Chief Compliance Officer, Kaleida Health, (716)859-8053 or LDuthe@Kaleidahealth.org .

Respectfully,

Jonathan Swiatkowski

EVP, Chief Financial Officer

Kaleida Health