

KDMC Public Letter to Manufacturers

February 8, 2016

Dear Manufacturers,

I am writing on behalf of King's Daughters Medical Center (KDMC) (DSH180009) to inform manufacturers that KDMC recently underwent an audit by the Health Resources and Services Administration (HRSA) of KDMC's compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, KDMC qualified for the 340B Program as a Disproportionate Share Hospital (DSH) at 2201 Lexington Avenue, Ashland, KY 41101 and has participated in the 340B Program since April 1, 2006.

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

Finding 1: KDMC dispensed 340B drugs to ineligible individuals as prohibited by Section 340B(a)(5)(B) of the PHSA.

Specifically, this finding resulted from two providers that remained on KDMC's 340B Provider List after assignment to a KDMC owned but non-340B eligible clinic. Prior to audit, these providers were terminated from 340B but findings were for prescriptions prior to HRSA's audit period. Fortunately, the findings affected a small number of dispensations for a small number of manufacturers.

KDMC has identified all affected manufacturers and has contacted each to notify them of these violations to begin a dialogue on a method of repayment to affected manufacturers. If manufacturers have not received notification from KDMC and believe repayment may be owed for the violation described in this letter, or if you have any questions or comments regarding the violations described in this letter, please contact Ms. Rita Keslar, PharmD, Director of Pharmacy, Phone: 606-408-1205, 2201, Address: King's Daughters Medical Center, 2201 Lexington Avenue, Ashland, KY 41101.

The 340B Program is vital to KDMC as we strive to meet the ever increasing healthcare needs of our community; thank you for participating in the 340B Program.

Sincerely,



Kristie Whitlatch
President/CEO