



Rutland Regional Medical Center

An Affiliate of Rutland Regional Health Services

160 Allen Street
Rutland, VT 05701

802.775.7111

March 29, 2016

Dear Manufacturers,

I am writing on behalf of Rutland Hospital, Inc. d/b/a Rutland Regional Medical Center (RRMC) (340B ID # SCH470005-00) to inform manufacturers that RRMC recently underwent an audit by the Health Resources and Services Administration (HRSA) of RRMC's compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, RRMC qualified for the 340B Program as a sole community hospital in Rutland, Vermont and has participated in the 340B Program since September 30, 2010.

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

RRMC was billing Medicaid contrary to information contained in the 340B Medicaid Exclusion File. This action may have resulted in duplicate discounts as prohibited by section 340B(a)(5)(A) of the PHSA.

RRMC is working to identify specific claims that have been subject to duplicate discounts so no manufacturers have been contacted at this time. However, in accordance with the Corrective Action Plan that was submitted to HRSA, RRMC is working with the Vermont Medicaid agency, the Department of Vermont Health Access (DVHA) to identify claims that may have been subject to duplicate discounts. In working with DVHA, RRMC has identified a sub-category of claims that may include duplicate discounts; specifically commercial claims that RRMC first billed to commercial insurers and then billed to Medicaid as a secondary payer. This category of claims may include duplicate discounts if the claim included a NDC number for a 340B eligible drug and Medicaid made a payment on the claim. Based on this narrowed category of claims, RRMC is analyzing extracts from multiple disparate data sources to identify duplicate discounts.

RRMC will identify all affected manufacturers and notify them of these violations to begin a dialogue on a method for repayment to affected manufacturers. If manufacturers have not received notification from RRMC 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 Jonathan Reynolds, Pharm. D., Director of Pharmacy, (802) 772-2634, 160 Allen Street, Rutland, Vermont 05701.

Sincerely,

/S/ Edward Ogorzalek

Edward Ogorzalek
Vice President, Chief Financial Officer