

Clinch River Health Services, Inc.

17633/17285 Veterans Memorial Hwy.

Dungannon, VA 24245

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Dear Manufacturers:

I am writing on behalf of Clinch River Health Services, Inc. (CRHS) (340B ID CH031230) to inform manufacturers that CRHS recently underwent an audit by the Health Resources and Services Administration (HRSA) of CRHS's compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, CRHS qualified for the 340B Program as a Federally Qualified Health Center located in Dungannon, Virginia and has participated in the program since 1992. At the time of the audit, CRHS utilized one contract pharmacy.

Through the audit process, CRHS and its contracted pharmacy were found to have non-compliance within their 340B Program and are responsible for repayment as a result of the following finding(s):

CRHS's contract pharmacy dispensed 340B drugs to ineligible individuals. Prescriptions were dispensed utilizing 340B drugs to either patients that were ineligible or for prescriptions that were written by ineligible providers.

CRHS was billing Medicaid contrary to information contained in the HRSA Medicaid Exclusion File. This action may have resulted in duplicate discounts. At the time of the audit, CRHS was listed as not billing Medicaid for drugs purchased at the 340B price, when 340B drugs were being dispensed to Medicaid fee-for-service patients. Since CRHS failed to appear on the HRSA Medicaid Exclusion File, this action may have resulted in a duplicate discount. There was not an arrangement made between CRHS, the contract pharmacy, and the State Medicaid agency to prevent the duplicate discounts.

CRHS and the contract pharmacy (Clinch River Pharmacy) plan to identify affected manufacturers and reach out to each one to begin a dialogue on a method for repayment. If manufacturers have not received notification from CRHS and believe repayment may be owed for violations described in this letter, or if you have any questions or comments regarding the violations described in this letter, please contact: Charles Buchanan, Owner of Clinch River Pharmacy, by phone at 276-952-2636 or by mail to: Clinch River Pharmacy, PO Box 89, Vesta, VA 24177.

Sincerely,

Carolyn Bowen

Carolyn Bowen, Executive Director
Clinch River Health Services, Inc.