

Dear Manufacturers,

I am writing on behalf of Baptist Hospitals of Southeast Texas DBA Memorial Hermann Baptist Orange Hospital (BHSET; 340B ID DSH450005), to inform manufacturers that BHSET recently underwent an audit by the Health Resources and Services Administration (HRSA) of Baptist Hospitals of Southeast Texas' compliance with 340B Drug Pricing Program requirements.

As background, BHSET qualified for the 340B Program as a disproportionate share hospital and has participated in the 340B Program since April 1st, 2005.

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

BHSET dispensed 340B drugs to ineligible individuals who are not "patients" of BHSET as prohibited by 42 USC 256b(a)(5)(B).

BHSET has identified all affected manufacturers and has contacted 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 BHSET 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 Aily Powell PharmD, MS., Director of Pharmacy, 409-212-7282, 3080 College Street, Beaumont, Texas 77701.