

CHSH
Draft Public Letter
August 14, 2015

Dear Manufacturers:

I am writing on behalf of Capital Health System – Hopewell (CHSH), former 340B ID DSH 310044, to inform manufacturers that CHSH recently underwent an audit by the Health Resources and Services Administration (HRSA) of CHSH’s compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, CHSH qualified for the 340B Program as a disproportionate share hospital (DSH) and is located in Pennington, New Jersey. It participated in the 340B Program beginning January 1, 2005. On May 29, 2013, CHSH filed its calendar year 2012 Medicare cost report, and that cost report reflected a DSH percentage below the level needed to qualify for the 340B Program. As a result, CHSH has subsequently withdrawn from the program.

Through the audit process, HRSA found CHSH to have non-compliance within its 340B Program and responsible for repayment as a result of the following findings:

- (1) “CHSH did not meet 340B eligibility requirement as a DSH.” Specifically, CHSH continued to purchase 340B drugs during the period May 29, 2013 (the date it became ineligible) through August 6, 2013.
- (2) “CHSH dispensed 340B drugs to ineligible individuals as prohibited by 42 U.S.C. § 256(a)(5)(B).”
- (3) “340B drugs were not properly accumulated. CHSH did not have adequate controls in place to ensure proper accumulation and prevention of diversion of 340B drugs, as prohibited by 42 U.S.C. § 256(a)(5)(B).”

CHSH has identified the manufacturers affected by these findings and will contact and notify them of the findings to begin a dialogue on repayment. If manufacturers do not receive notification from CHSH and believe repayment may be owed, or if you have any questions or comments regarding these findings, please contact Stephen A. Miller, Chief Compliance and Privacy Officer, Capital Health System, Inc., 750 Brunswick Avenue, Trenton, New Jersey 08636, 609-394-6105.

Sincerely,

Stephen A. Miller
Chief Compliance and Privacy Officer
Capital Health System, Inc.
750 Brunswick Avenue
Trenton, New Jersey 08636