

Dear Manufacturers,

I am writing on behalf of CHRISTUS Health Shreveport-Bossier (340B ID: DSH190041 (CHSB)), formerly known as CHRISTUS Shumpert Health System, to inform manufactures that CHSB recently underwent an audit by the Health Resources and Services Administration (HRSA) of CHSB's compliance with 340B Drug Pricing Program ("340B Program") requirements.

As background, CHSB qualified for the 340B Program as a disproportionate share hospital located at One Saint Mary Place, Shreveport, Louisiana 71101, and has participated in the 340B Program since December 8, 2005.

Through the audit process, CHSB was found to have non-compliance within its 340B program, and is responsible for repayment as a result of the following finding:

CHSB dispensed 340B drugs to ineligible individuals as prohibited by 42 USC 256b(a)(5)(B).

Covered entities are prohibited by 42 USC 256b(a)(5)(B) from reselling or otherwise transferring a 340B drug to a person who is not a patient of the covered entity. During the course of the audit, HRSA identified potential instances of retail prescriptions being filled at three of CHSB's contract pharmacies for patients who did not meet the patient definition guidelines.

After identifying the potential compliance issue, CHSB worked with the Office of Pharmacy Affairs (OPA) to develop and finalize a corrective action plan (CAP). The CAP identifies the findings that the OPA included in its Final Report, the actions that CHSB has taken and intends to take to correct those findings, and the actions CHSB has taken and intends to take to prevent similar non-compliance from arising in the future.

CHSB has identified all affected manufacturers and contacted each to notify them of these violations and to begin a dialogue on a method for repayment. CHSB is prepared to remit the repayment sum for these violations in order to repay any excess 340B discount CHSB received from each affected manufacturer. CHSB proposes that the excess 340B discount be repaid to each affected manufacturer by decrementing future 340B drug accumulation for the affected manufacturer's drugs at issue in an amount equal to the excess 340B discount received by CHSB. If this corrective action is agreeable, then please send written notice to:

Mr. Stephen F. Wright
President/Chief Executive Officer
CHRISTUS Health Shreveport-Bossier
One Saint Mary Place
Shreveport, Louisiana 71101
(318) 561-7191

CHSB will implement this corrective action within thirty (30) days of receiving your written agreement. To the extent that such decrementation is not possible or practicable for one or both of the parties, CHSB proposes to issue to each affected manufacturer a direct cash repayment equal to the amount of the excess discount as agreed to by the parties.

If CHSB has not received any response from an affected manufacturer within ninety (90) days of the date of this letter, then the excess 340B discount shall be repaid to each affected manufacturer by decrementing future 340B drug accumulation for the affected manufacturer's drugs at issue in an amount equal to the excess 340B discount received by CHSB and manufacturer will withdraw all rights to any form of repayment of the excess 340B discount.

CHSB takes its compliance obligations very seriously and is dedicated to achieving full compliance with 340B Program requirements. If manufacturers have not received notification from CHSB 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, the calculation of the excess discount, the CAP, or any other topics discussed herein, please do not hesitate to contact me.

Sincerely,

Stephen F. Wright
President/Chief Executive Officer
340B Responsible Authority for CHRISTUS Health Shreveport-Bossier # DSH190041