



April 29, 2015

Dear Manufacturers,

On behalf of Holy Cross Hospital (HCH) (340B ID# DSH140133), this letter is to inform manufacturers that HCH underwent an audit in January 2013 by the Health Resources and Services Administration (HRSA) in connection with HCH's participation in the 340B Drug Discount Program (340B Program). As background, HCH has participated in the 340B program since July 1, 2005. HCH qualifies for the 340B Program as a hospital that cares for a disproportionate share of low income patients. HCH, established in 1928 by the Sisters of St. Casimir and currently part of the Sinai Health System, is a 274-bed non-profit hospital located on the south side of Chicago, Illinois. It is one of two acute care hospitals in the Sinai Health System. HCH is committed to complying with 340B Program requirements and has taken steps to improve its policies and procedures and educate responsible staff members on 340B Program compliance.

Through the audit process, HRSA found HCH had non-compliance within its 340B Program and was potentially responsible for repayment as a result of the following finding: "Holy Cross Hospital was billing Medicaid contrary to information contained in the HRSA Medicaid Exclusion File. This action may have resulted in duplicate discounts as prohibited by 42 USC 256b(a)(5)(A)." HRSA issued the finding because HCH had answered "no" to the question "Will you bill Medicaid for drugs purchased at 340B prices?" in the HRSA 340B database at the time of the audit, but was using 340B drugs for Medicaid beneficiaries. HCH confirmed with HRSA that the audit finding related only to traditional Medicaid claims and not to Medicaid managed care claims. HCH corrected its HRSA database election in January 2013.

HCH worked with the Illinois Department of Healthcare and Family Services (DHFS), which administers the Illinois Medicaid program, to determine whether, in fact, any drug manufacturers had paid duplicate discounts for Medicaid claims that HCH submitted for 340B drugs. HCH confirmed with DHFS that, between April 1, 2012 (the beginning of the HRSA audit period) and January 2013 (when HCH's Medicaid carve in election was corrected on the OPA database), only four Medicaid fee-for-service claims were subject to duplicate discounts. The claims involved two drugs from two manufacturers and the total cost for the four drugs was less than \$80.00. After HCH informed DHFS about the duplicate discount issue, DHFS confirmed in writing that it credited the affected manufacturers for the Medicaid rebates that it received on these four claims. Because DHFS corrected the four duplicate discounts that were paid, HCH determined that it was not required to make any repayments.

HCH is confident that it has eliminated any duplicate discount risk related to HRSA's audit finding and has taken all appropriate corrective measures. If manufacturers have any questions or comments regarding the contents of the letter, please contact Andrew Volk at [Andrew.Volk@sinai.org](mailto:Andrew.Volk@sinai.org) or by mail at Holy Cross Hospital, 2701 West 68th Street, Chicago, Illinois 60629.

Sincerely,

A handwritten signature in blue ink, appearing to read "Loren Chandler".

Loren Chandler  
Senior Vice President, Holy Cross Hospital