

Matagorda Regional Medical Center
104 7th Street
Bay City, Tx 77414

November 3, 2015

Dear Manufacturers,

I am writing on behalf of Matagorda Regional Medical Center (MRMC) (340B ID DSH450465) to inform manufacturers that MRMC recently underwent an audit by the Health Resources and Services Administration (HRSA) of MRMC compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, MRMC qualified for the 340B Program as a disproportionate share hospital located in Bay City, Texas and has participated in the 340B Program since October 1st, 2004.

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

MRMC dispensed 340B drugs to ineligible individuals, as prohibited by 42 USC 256b (a) (S) (B). A patient was correctly administered Estradiol 1mg (with an assigned hospital electronic medical system billing code of 2502239) for an out-patient surgery on November 11, 2012. When this information was uploaded to our split-bill software for 340b inventory management, the wrong drug, Lamotrigine 25mg, was accumulated due to an input error which occurred when this medication, Lamotrigine, was assigned to the hospital electronic medical system. At that time Lamotrigine and Estradiol shared the billing code of 2502239. At the time of the audit it was found that Lamotrigine should have been assigned billing code 2502238. Accumulations are generated from qualifying past dispenses and can be ordered from the 340B wholesale account, however, this false accumulation (Lamotrigine) was never ordered or given to the patient, and actual diversion did not occur.

MRMC has established training guidelines for the hospital electronic medical system when entering new products into the system so that duplicate billing codes are not assigned. MRMC 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 MRMC 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 Laura Noster at 979-241-3402 or lnoster@matagordaregional.org

Sincerely,

Bryan Prochnow, CFO
Matagorda Regional Medical Center