



The Heart of Great Medicine
225 East Jackson Avenue
Jonesboro, AR 72401
(870) 207- 4230

Mr. Harry Hutchison
Chief Financial Officer
Authorizing Official
St. Bernard's Hospital Inc., DBA St. Bernard's Medical Center
225 East Jackson Avenue
Jonesboro, Arkansas 72401

Dear Manufacturers:

I am writing on behalf of St. Bernard's Hospital Inc. dba St. Bernard's Medical Center (SBH) (340BID DSH040020 and affiliated child sites A-J), 225 East Jackson Street, Jonesboro, Arkansas 72401, to inform you that SBH recently self-reported found non-compliance (diversion) in its contract pharmacy program and subsequently was recently audited by the Health Resources and Services Administration (HRSA) for its compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, SBH qualified for the 340B program as a Disproportionate Share Hospital and has participated in the 340B program since July 1, 2006.

The contract pharmacy program was in operation from April of 2012 until April 30, 2013 and has since been terminated. SBH was audited by HRSA on 5/20- 5/21 of 2013.

Through the audit process, SBH was found to have non-compliance within its 340B contract pharmacy program and responsible for repayment of the discount to manufacturers as a result of the following findings:

- SBH dispensed 340B drugs to ineligible individuals, as prohibited by 42 USC 256b (a) (5) (B).
- SBH's contract pharmacy program did not have adequate controls in place to verify patient eligibility.

SBH has identified all manufacturers and will contact each to notify them of the violations, present them with data supporting an estimated liability, and work with them to facilitate an agreed liability and repayment.

If you have any questions or comments regarding the violations described in this letter and the proposed course of action by SBH, please contact me at 870-972-4565 or via mail at 225 East Jackson Avenue, Jonesboro, Arkansas 72401

Sincerely,

A handwritten signature in black ink that reads "Harry Hutchison".

Harry Hutchison
Chief Financial Officer/ Authorizing Official