

November 2, 2015

Dear Manufacturers,

I am writing on behalf of Catholic Health Initiatives – Iowa, Corp d/b/a Mercy Medical Center (“MMC”) (340B ID: DSH160083) to inform manufacturers that MMC recently underwent an audit by the Health Resources and Services Administration (“HRSA”) of MMC’s compliance with 340B Drug Pricing Program (“340B Program”) requirements.

As background, MMC qualified for the 340B Program as a Disproportionate Share Hospital in Des Moines, Iowa and has participated in the 340B Program since April 1, 2011.

Through the audit process, MMC was found to have noncompliance within its 340B Program and responsible for repayment as a result of the following finding(s):

1. MMC dispensed 340B drugs to ineligible individuals, as prohibited by 42 U.S.C. § 256b(a)(5)(B).

MMC has identified each instance where diversion occurred and all 340B accumulations for such diversions were credited back to the accumulator.

2. MMC did not have adequate controls to prevent duplicate discounts as prohibited by 42 U.S.C. § 256b(a)(5)(A).

MMC identified each instance of potential duplicate discount and reversed the transactions for each of the prescriptions incorrectly deemed 340B-eligible. MMC’s process that permitted patients with blank payor codes to be considered 340B-eligible was corrected..

MMC 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 MMC 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 Gregory Young, Regional Senior Director of Pharmacy – Iowa Division & 340B Primary Contact, at (515) 247-3262 or gyoung@mercydesmoines.org

Sincerely,

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340B Authorizing Official
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