

1/13/2016

Dear Manufacturers,

I am writing on behalf of Keck Hospital of USC (340B ID DSH050696) to inform manufacturers that Keck Hospital of USC recently underwent an audit by the Health Resources and Services Administration (HRSA) of Keck Hospital of USC's compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, Keck Hospital of USC qualified for the 340B Program as a Disproportionate Share Hospital in Los Angeles, California and has participated in the 340B Program since April first of 2010.

Through the audit process, Keck Hospital of USC was found to have non-compliance within their 340B Program and responsible for repayment as a result of the following findings:

1. 340B drugs were not properly accumulated. Keck did not have adequate controls in place to ensure proper accumulation and prevention of diversion of 340B drugs, as prohibited by 42 USC 256b(a)(5)(B).
2. Keck dispensed a 340B drug to an ineligible individual, as prohibited by 42 USC 256b(a)(5)(B).
3. Keck listed incorrect or incomplete billing information on the 340B Medicaid Exclusion File. This may have resulted in duplicate discounts as prohibited by 42 USC 256b(a)(5)(A).

Keck Hospital of USC has identified all affected manufacturers and contacted each to notify them of these findings and begin a dialogue on a method for possible repayment obligations to affected manufacturers. If manufacturers have not received notification from Keck Hospital of USC and believe repayment may exist for the findings described in this letter, or if you have any questions or comments regarding the findings described in this letter please contact Krist Azizian, PharmD, Chief Pharmacy Officer via email at Krist.Azizian@med.usc.edu, via telephone at 323-442-8737, or via post at 1441 Eastlake Ave., Los Angeles, California 90033.

Respectfully Submitted,

Robert Allen
Chief Financial Officer
Keck Medical Center of USC