

September 9, 2015

Dear Manufacturers,

I am writing on behalf of Sunset Park Health Council, Inc. d/b/a Lutheran Family Health Centers (“LFHC”) (340B ID #CH 218870) to inform manufacturers that LFHC recently underwent an audit by the Health Resources and Services Administration (HRSA) of LFHC’s compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, LFHC qualified for the 340B Program as a federally qualified health center in Brooklyn, New York and has participated in the 340B Program since October 1, 2003.

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

LFHC was billing Medicaid contrary to information contained in the HRSA Medicaid Exclusion File. This finding involved LFHC’s sub-grantee, Callen-Lorde Community Health Center (CH021887Q). Callen-Lorde submitted claims to the New York State Medicaid program for drugs purchased under the 340B program without including the modifier utilized by the New York State Medicaid program to identify such claims as 340B-priced. Callen-Lorde has now adjusted all of the claims in question to include the required modifier, and accordingly, the New York State Medicaid program is on notice that such drugs were purchased under the 340B program and should not also be subject to a Medicaid rebate.

LFHC’s contract pharmacy dispensed 340B drugs to ineligible individuals as prohibited by 42 USC 256b(a)(5)(B). This finding involved a single claim, and LFHC has reversed the claim in question and deemed it non-340B-eligible.

LFHC and/or Callen-Lorde, as appropriate, have identified all affected manufacturers and have contacted each affected manufacturer regarding the violations described in this letter. If manufacturers have not received notification from LFHC and/or Callen-Lorde, 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 me.

Sincerely,



Larry K. McReynolds
President