



Dear Manufacturers,

I am writing on behalf of Erlanger Medical Center at 975 E 3rd St, Chattanooga, TN 37403, (340B Program ID No: DSH440104, "EMC") ; and Erlanger Health System Southside/Dodson Avenue CHC, 100 East 37th St, Chattanooga, TN 37410 (340B Program ID No: CH04126, "EHSSDA", and collectively with EMC, the "Covered Entities") to inform manufacturers that the Covered Entities recently underwent an audit by the Health Resources and Services Administration (HRSA) of their compliance with 340B Drug Pricing Program(340B Program) requirements.

As background, EMC qualifies for the 340B Program as a disproportionate share hospital and has participated in the 340B Program since December 1, 1992. EHSSDA qualifies as a community health center, and has participated in the 340B Program since December 1, 1992.

Through the audit process, HRSA made the following findings:

- EMC and EHSSDA dispensed 340B drugs to ineligible individuals, as prohibited by section 340B(a)(5)(B) of the PHSA.
- EMC and EHSSDA were billing Medicaid contrary to information contained in the 340B Medicaid Exclusion File. This action may have resulted in duplicate discounts as prohibited by section 340B(a)(5)(A) of the PHSA.

The Covered Entities are in the process of identifying all affected manufacturers and will contact each to notify them of these findings to begin a dialogue regarding resolution. If manufacturers do not receive notification from the Covered Entities and would like to further understand and/or discuss the findings described in this letter, or if you have any questions or comments regarding the findings described in this letter please contact Britt Tabor, Chief Financial Officer, at (423) 778-7729 or 975 E. Third Street, Chattanooga, Tennessee 37403.