



Departamento de Salud Municipio Autónomo de San Juan

April 15, 2016

Dear Manufacturers,

On behalf of Municipal Hospital Dr. Rafael Lopez Nussa. ("SJM") (340B ID# DSH400015), this letter informs manufacturers that SJM recently completed an audit by the Health Resources and Services Administration (HRSA) in connection with SJM's participation in the 340B Drug Discount Program (340B Program).

As Background SJM qualifies for the 340B Program as a hospital that cares for a disproportionate share of low income patients. Located in San Juan, Puerto Rico, SJM has participated in the 340B Program since October of 2004.

In keeping with SJM's not-for-profit mission, SJM maintains an open-door policy, which means it cares for all patients, regardless of their ability to pay. Thousands of people with no or inadequate health care coverage receive free services each year at SJM. For example, in 2014, SJM DSH Adjustment Percentage was 28.13% and in 2015 arise to 40.21%.

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

- ***Finding: SJM dispensed 340B drugs to ineligible individuals, as prohibited by section 340B (a)(5)(B) of the PHSA.***
- ***Finding: SJM billed contrary to the 340B Medicaid Exclusion File selection. This may have resulted in duplicate discounts as prohibited by section 340B (a)(5)(A) of the PHSA.***

SJM 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 SJM 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 Sylvette Llovet, Executive Subdirector; (787) 480-3842; PO BOX 21405, San Juan, Puerto Rico.



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