



Dear Manufacturers,

I am writing on behalf of Palomar Medical Center (DSH050115) to inform manufacturers that Palomar Medical Center recently underwent an audit by the Health Resources and Services Administration (HRSA) of Palomar Medical Center compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, Palomar Medical Center qualified for the 340B Program as a Disproportionate Share Hospital in Escondido, California and has participated in the 340B Program since 2006.

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

- 1. PMC dispensed 340B drugs to ineligible individuals, as prohibited by section 340B (a) (S) (B) of the PHSA.***
- 2. 340B drugs were not properly accumulated. PMC did not have adequate controls in place to ensure proper accumulation and prevention of diversion of 340B drugs as prohibited by section 340B(a)(5)(B) of the PHSA.***

Palomar Medical Center has identified all affected manufacturers and has contacted each to notify them of these violations to begin a dialogue on a method of repayments to affected manufacturers. If manufacturers have not received notification from Palomar Medical Center 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 the letter please contact:

Cedric Terrell, Assistant Vice President, Clinical & Diagnostic Services by phone: 760-739-3932 and by mail: 555 E. Valley Parkway, Escondido, CA 92025.

Cedric A. Terrell

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