



City and County of San Francisco
Edwin M. Lee, Mayor

Department of Public Health
Barbara A. Garcia, MPA
Director of Health

July 1, 2016

Dear Manufacturers,

I am writing on behalf of San Francisco General Hospital, Covered Entity (340B ID# DSH050228), to inform manufacturers that SFGH recently underwent an audit by the Health Resources and Services Administration (HRSA) of SFGH's compliance with 340B Drug Pricing Program requirements.

As a background, SFGH qualifies for the 340B program as a Disproportionate Share Hospital located in San Francisco, California and has participated in the program since July 1, 1994.

Through the audit process, SFGH was found to have non-compliance within their 340B program and to be responsible for resolution/repayment as a result of the following findings:

“Duplicate Discounts – Entity was billing Medicaid contrary to information included in the Medicaid Exclusion File.”

During the audit period of January 1, 2015 to March 30, 2015, the 340B database record for SFGH reflected an answer of "no" to the question, "Will you bill Medicaid for drugs purchased at the 340B price?" However, 340B drugs dispensed from SFGH's contract pharmacy (SFGH Outpatient Pharmacy, NPI 1447288634) were being billed to Medicaid. SFGH has worked with the state Medicaid agency to identify claims for which duplicate discounts may have occurred related to this NPI number. 122 claims were identified for as being invoiced for rebates. The state Medicaid agency is in the process of giving credits to the drug manufactures for the claims identified.

Based on best available information, SFGH has identified all potentially-affected manufacturers and has contacted each to notify them of this violation and the method of repayment to affected manufacturers, if applicable. If manufacturers have not received notification from SFGH 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 Swati Patel, Outpatient Pharmacy Supervisor, swati.patel@sfdph.org, 1001 Potrero Ave, Pharmacy Room 1P2, San Francisco, California 94110.

Sincerely,

Roland Pickens, Director
San Francisco Health Network
For Covered Entity SFGH