



April 24, 2016

Dear Manufacturers,

I am writing on behalf of Sierra View Medical Center (SVMC; previously known as Sierra View District Hospital) (340B ID DSH050261) to inform manufacturers that SVMC recently underwent an audit by the Health Resources and Services Administration (HRSA) of SVMC's compliance with 340B Drug Pricing Program (340B Program) requirements.

As background, SVMC qualified for the 340B Program as a DSH hospital in Porterville, California and has participated in the 340B Program since July 1, 2004.

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

- 1) SVMC obtained covered outpatient drugs through a group purchasing organization (GPO).

-SVMC purchased covered outpatient drugs through a GPO for its Ambulatory Surgery Department and Wound Care Department for a 2 month period in early 2015.

- 2) SVMC dispensed 340B drugs to ineligible individuals, as prohibited by section 340B(a)(5)(B) of the PHSA.

- 3) 340B drugs were not properly accumulated. SVMC 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.

- 4) SVMC listed incorrect or incomplete billing information on the 340B Medicaid Exclusion File. This may have resulted in duplicate discounts as prohibited by section 340B(a)(5)(A) of the PHSA.

-The State Medicaid Agency has confirmed that no duplicate discounts occurred.

SVMC 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 SVMC and believe repayment may



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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 David Burger, Director of Pharmacy, 465 W. Putnam Avenue, Porterville CA 93257, at 559-788-6111 or [DBurger@sierra-view.com](mailto:DBurger@sierra-view.com).

Sincerely,

Jeffery L. Hudson-Covolo, R.N., MSN  
Chief Nurse Executive / Vice President of Patient Care Services