

# *Federal Drug Discount and Compliance Monitor*

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.....**BREAKING NEWS**.....

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## **HHS OIG Withdraws Report on 340B Pricing**

The US Department of Health and Human Services Office of Inspector General (OIG) has temporarily withdrawn its June 2004 report on the accuracy of 340B pricing while the agency reviews the data contained in the study.

Once the review is completed “any revisions, if appropriate, will be made and the report will be reissued,” according to the OIG website.

It is highly unusual for the OIG to withdraw reports that have already been completed—especially ones that are nearly five months old—according to sources close to the OIG.

The June report estimated that 340B entities were overcharged by more than \$41 million during the course of one month in 2002 and 36 out of 37 sampled entities were charged above the ceiling price at least once. To conduct the study, the OIG compared the prices paid by covered entities to the confidential “best price” data that manufacturers are required to submit to the Centers for Medicare and Medicaid Services (CMS). The report did not attempt to identify which parties were responsible for the overcharges.

The OIG’s decision may impact a number of ongoing efforts to recover alleged 340B overcharges. Two lawsuits in particular—filed by Central Alabama Community Healthcare and the AIDS Healthcare Foundation, respectively—have relied heavily on the June OIG report in stating the basis for the plaintiffs’ legal claims. The courts in which these cases are being heard are to be notified about the OIG’s decision, *The Monitor* has learned.

The OIG’s announcement can be found at:  
<http://oig.hhs.gov/oei/reports/oei-05-02-00070.pdf>.

*The Monitor* will update you as more details become available.