



Health Resources & Services Administration

Office of Special Health Initiatives

5600 Fishers Lane
Rockville, MD 20857



December 20, 2024

Jami Dybik
Vice President
Sagebrush Health Services
8379 West Sunset Road, Suite 210
Las Vegas, Nevada 89113

Dear Jami Dybik:

The Health Resources and Services Administration (HRSA) has reviewed the documentation provided by Sagebrush in its March 4, 2024, August 2, 2024, and September 26, 2024, letters as well as documentation provided to HRSA by the Centers for Disease Control and Prevention (CDC), Connecticut Department of Public Health (CDPH), and Nevada Department of Health and Human Services (NHHS).

The documentation provided to HRSA demonstrates that certain Sagebrush sites have not been eligible to participate in the 340B Program as STD covered entities under section 340B(a)(4)(K) of the Public Health Service Act (PHSA). Based on the documentation received, the following Sagebrush sites failed to comply with this statutory eligibility requirement and failed to provide documentation to demonstrate receipt of section 318 funding or support during the time periods listed below.

- STD06489 did not receive section 318 funding or support from CDPH prior to February 23, 2023.
- STD068107, STD064891, STD064892, STD06042 and STD06488, did not receive section 318 funding or support from CDPH at any point in time.
- STD891061, STD89118, STD89123, and STD891284 did not receive section 318 funding or support from NHHS after February 1, 2024.
- STD89027, STD890481, STD890521, STD891281, STD891285, STD891286, STD891287, STD89148, STD89149, STD891491, and STD89511 did not receive section 318 funding or support from NHHS after January 1, 2023.
- STD890141, STD890142, STD890181, STD89032, STD890482, STD890523, STD890524, STD890525, STD890526, STD890527, STD890741, STD891031, STD891045, STD891063, STD89117, STD891183, STD891191, STD891232, STD891288, STD891289, STD89129, STD891291, STD891292, STD89144, STD891482, STD891483, STD891484, STD891485, STD891493, STD89178, STD893012, STD890529, STD891293, and STD89509, did not receive section 318 funding or support from NHHS at any point in time.

Due to Sagebrush's failure to comply with section 340B(a)(4)(K) of the PHSA for these sites, and to the extent that the sites have not yet been terminated, Sagebrush must terminate the 20 ineligible sites currently registered in OPAIS (STD068107, STD064891, STD891061, STD89118, STD89123, STD891284, STD89027, STD890481, STD890521, STD891281, STD891285, STD891286, STD891287, STD89148, STD89149, STD891491, STD89511, STD890529, STD891293, and STD89509) **by December 27, 2024**. If Sagebrush does not terminate the sites by December 27, 2024, HRSA will terminate the sites in OPAIS on December 30, 2024.

It is Sagebrush's responsibility to determine the full scope of non-compliance and repay affected manufacturers accordingly for the period of time that the Sagebrush sites did not receive section 318 funding or support. In order to alert manufacturers to the extent that violations have occurred, Sagebrush is required to contact and work with affected manufacturers regarding repayment. HRSA does not endorse any specific methodology to determine the scope of 340B non-compliance, the amounts owed to the affected manufacturers, or a covered entity's plan to repay the affected manufacturers or to remedy past 340B Program non-compliance. HRSA defers to affected manufacturers for acceptance of a covered entity's plan to determine the scope of 340B non-compliance and appropriate remedy.

Sagebrush can request to re-register the sites listed in this letter for the 340B Program only after Sagebrush is able to demonstrate that it determined the full scope of noncompliance, repaid affected manufacturers, can demonstrate that it meets the covered entity eligibility requirements set forth in section 340B(a)(4) of the PHSA, and meets all other 340B Program requirements.

Within 60 days of the date of this letter, please provide a statement that Sagebrush has determined the full scope of non-compliance and worked with affected manufacturers regarding repayment.

We appreciate your prompt attention to this matter.

Sincerely,



Chantelle V. Britton, M.P.A., M.S.
Director, Office of Pharmacy Affairs