



North Carolina Department of Public Safety

Adult Correction and Juvenile Justice

Roy Cooper, Governor
Erik A. Hooks, Secretary

Todd E. Ishee, Commissioner of Prisons
Chris Holland, Deputy Secretary

MEMORANDUM

TO: Joint Legislative Oversight Committee on Justice and Public Safety
Fiscal Research Division

FROM: Erik A. Hooks, Secretary *EAH*
Todd E. Ishee, Commissioner of Prisons *tlh*

RE: Federal 340B Program Participation

DATE: October 1, 2019

Pursuant to Session Law 2019-135, Section 7, the Department of Public Safety shall report to the Joint Legislative Oversight Committee on Justice and Public Safety and the Fiscal Research Division by October 1, 2019, regarding the implementation of:

- (1) Submitting an application during the next registration period to enroll in the federal 340B Program found in section 340B of the Public Health Service Act (the "340B Program") to be able to access 340B Program pricing for medications used to treat the human immune deficiency virus (HIV), the hepatitis C virus (HCV), and eligible sexually transmitted diseases (STD).*
- (2) Providing DHHS all data and necessary documentation as frequently as such information is needed by DHHS for the implementation of this section.*
- (3) Ensuring that the DPS Apex Central Pharmacy, and any other DPS pharmacies necessary, are compliant dispensing pharmacies under the 340B Program.*
- (4) Coordinating with one or more vendors to purchase STD 340B Program medications that result in the greatest overall cost savings available to the State, whether such savings are achieved by 340B Program pricing, non-340B Program volume discounts, or a combination of both.*
- (5) Developing a separate inventory to track 340B Program medications.*

Please find attached an update on the implementation of the above requirements.

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- (1) Submit an application during the next registration period to enroll in the federal 340B Program found in section 340B of the Public Health Service Act (the "340B Program") to be able to access 340B Program pricing for medications used to treat the human immune deficiency virus (HIV), the hepatitis C virus (HCV), and eligible sexually transmitted diseases (STD).***

The Department of Public Safety (DPS) applied on July 1, 2019, to be a covered entity for the federal 340B Program. DPS was approved on July 31, 2019, as a 340B covered entity.

In September 2019, the Department of Health and Human Services notified DPS that there had been rule changes to the federal 340B program and specific institutions (processing centers) would be required to apply in October 2019 in order to participate in the 340B program. These institutions included Central Prison, NC Correctional Institution for Women, Polk, Piedmont, Craven and Foothills. Additional rule changes will require the identification of specific staff at each institution to provide oversight and monitor the program.

- (2) Provide DHHS all data and necessary documentation as frequently as such information is needed by DHHS for the implementation of this section.***

DPS worked with DHHS and provided all data and necessary documentation to DHSS during the months of May-June 2019 to ensure the application process was ready.

- (3) Ensure that the DPS Apex Central Pharmacy, and any other DPS pharmacies necessary, are compliant dispensing pharmacies under the 340B Program.***

DPS is in the process of establishing a 340B pharmacy position that will provide complete oversight and monitoring of the program and will be assigned to the Apex Pharmacy. In addition, DPS Pharmacy leadership attended 340B training provided by Health Resources and Services Administration (HRSA).

- (4) Coordinate with one or more vendors to purchase STD 340B Program medications that result in the greatest overall cost savings available to the State, whether such savings are achieved by 340B Program pricing, non-340B Program volume discounts, or a combination of both.***

There is no update to provide at this time as federal 340B program rule changes have delayed DPS' participation as a covered entity. See #1 above.

- (5) Develop a separate inventory to track 340B Program medications.***

DPS is in the process of requesting to purchase an inventory system that will track all 340B medications.