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SENATE DRS45137-MGqqa-58B\* (03/03)

Short Title: Strengthen Controlled Substances Monitoring. (Public)

Sponsors: Senators Hise, Clark, and Tarte (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO STRENGTHEN THE MONITORING OF CONTROLLED SUBSTANCES.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Statewide Opioid Prescribing Guidelines.

5 By July 1, 2016, the following State health officials and health care provider  
6 licensing boards shall adopt the North Carolina Medical Board's Policy for the Use of Opiates  
7 for the Treatment of Pain:

- 8 (1) The Director of the Division of Public Health of the Department of Health  
9 and Human Services (DHHS).
- 10 (2) The Director of the Division of Medical Assistance, DHHS.
- 11 (3) The Director of the Division of Mental Health, Developmental Disabilities,  
12 and Substance Abuse Services, DHHS.
- 13 (4) The directors of medical, dental, and mental health services within the  
14 Department of Public Safety.
- 15 (5) North Carolina State Board of Dental Examiners.
- 16 (6) North Carolina Board of Nursing.
- 17 (7) North Carolina Board of Podiatry Examiners.

18 **SECTION 2.** Continuing Education Requirements.

19 (a) The following health care provider occupational licensing boards shall  
20 require continuing education on the abuse of controlled substances as a condition of license  
21 renewal for health care providers who prescribe controlled substances:

- 22 (1) North Carolina Board of Dental Examiners.
- 23 (2) North Carolina Board of Nursing.
- 24 (3) North Carolina Board of Podiatry Examiners.
- 25 (4) North Carolina Medical Board.

26 (b) In establishing the continuing education standards, the boards listed in  
27 subsection (a) of this section shall require that at least one hour of the total required continuing  
28 education hours consists of a course designed specifically to address prescribing practices. The  
29 course shall include, but not be limited to, instruction on controlled substance prescribing  
30 practices and controlled substance prescribing for chronic pain management.

31 **SECTION 3.** Improve Controlled Substances Reporting System Access and  
32 Utilization.

- 33 (a) G.S. 90-113.74 reads as rewritten:

34 **"§ 90-113.74. Confidentiality.**

35 (a) Prescription information submitted to the Department is privileged and confidential,  
36 is not a public record pursuant to G.S. 132-1, is not subject to subpoena or discovery or any



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1 other use in civil proceedings, and except as otherwise provided below may only be used (i) for  
2 investigative or evidentiary purposes related to violations of State or federal ~~law and law~~, (ii)  
3 ~~for regulatory activities-activities~~, or (iii) to inform medical records or clinical care. Except as  
4 otherwise provided by this section, prescription information shall not be disclosed or  
5 disseminated to any person or entity by any person or entity authorized to review prescription  
6 information.

7 ...  
8 (c) The Department shall release data in the controlled substances reporting system to  
9 the following persons only:

- 10 ...  
11 (8) Any county medical examiner appointed by the Chief Medical Examiner  
12 pursuant to G.S. 130A-382 and the Chief Medical Examiner, for the purpose  
13 of investigating the death of an individual.  
14 (9) The federal Drug Enforcement Administration's Office of Diversion Control.  
15 (10) The North Carolina Health Information Exchange (NC HIE), established  
16 under Article 29A of this Chapter, through Web-service calls.

17 ...."  
18 (b) The Department of Health and Human Services shall adopt appropriate  
19 policies and procedures documenting and supporting the additional functionality and expanded  
20 access added by subsection (a) of this section for the Controlled Substances Reporting System  
21 (CSRS) for the entities added to G.S. 90-113.74(c) by subsection (a) of this section and shall  
22 amend its contract with the vendor that operates the CSRS to support the additional  
23 functionality and expanded access to the CSRS.

24 **SECTION 4. Improve Controlled Substances Reporting System Contract.**

25 (a) The Department of Health and Human Services (DHHS) shall modify the  
26 contract for the Controlled Substances Reporting System (CSRS) to improve performance,  
27 establish user access controls, establish data security protocols, and ensure availability of data  
28 for advanced analytics. Specifically, the contract shall be modified to include the following:

- 29 (1) A connection to the North Carolina Health Information Exchange (NC HIE).  
30 (2) The establishment of interstate connectivity.  
31 (3) Data security protocols that meet or exceed the Federal Information  
32 Processing Standards (FIPS) established by the National Institute of  
33 Standards and Technology (NIST).

34 (b) DHHS shall complete the contract modifications required by subsection (a)  
35 of this section by December 31, 2015. DHHS shall report by November 15, 2015, to the Joint  
36 Legislative Program Evaluation Oversight Committee and the Joint Legislative Oversight  
37 Committee on Health and Human Services regarding the progress to modify the contract.

38 (c) DHHS shall apply for grant funding from the National Association of  
39 Boards of Pharmacy to establish the connection to PMP InterConnect. The Department shall  
40 request forty thousand thirty-five dollars (\$40,035) to establish the initial interface for PMP  
41 InterConnect and thirty thousand dollars (\$30,000) for two years of ongoing service,  
42 maintenance, and support for PMP InterConnect in order to create interstate connectivity for  
43 the drug monitoring program as required by subdivision (2) of subsection (a) of this section.

44 (d) In order to support certain requirements of subsection (a) of this section, the  
45 following appropriations are made from the General Fund to DHHS:

- 46 (1) Five thousand one hundred dollars (\$5,100) for fiscal year 2015-2016 for the  
47 purpose of connecting the CSRS and the NC HIE, as required by subdivision  
48 (1) of subsection (a) of this section.  
49 (2) The sum of fifteen thousand dollars (\$15,000) for fiscal year 2015-2016,  
50 recurring, for the cost of maintaining a connection between the CSRS and  
51 the NC HIE, as required by subdivision (1) of subsection (a) of this section.

1 (3) The sum of forty thousand thirty-five dollars (\$40,035) for fiscal year  
2 2015-2016 to establish the initial interface for PMP InterConnect, as  
3 required by subdivision (2) of subsection (a) of this section. This amount  
4 shall be adjusted or eliminated if DHHS is successful in obtaining grant  
5 awards or identifying other allowable receipts for this purpose. If receipts are  
6 used for this purpose, this nonrecurring appropriation shall revert to the  
7 General Fund.

8 (4) The sum of fifteen thousand dollars (\$15,000) for fiscal year 2015-2016,  
9 nonrecurring, for the cost of annual service fees for the interstate connection  
10 for the drug monitoring program, as required by subdivision (2) of  
11 subsection (a) of this section. This amount shall be adjusted or eliminated if  
12 DHHS is successful in obtaining grant awards or identifying other allowable  
13 receipts for this purpose. If receipts are used for this purpose, this  
14 nonrecurring appropriation shall revert to the General Fund.

15 **SECTION 5. Expand Monitoring Capacity.**

16 (a) The North Carolina Controlled Substances Reporting System shall expand  
17 its monitoring capacity by establishing data use agreements with the Prescription Behavior  
18 Surveillance System. In order to participate, the CSRS shall establish a data use agreement with  
19 the Center of Excellence at Brandeis University no later than January 1, 2016.

20 (b) Beginning September 1, 2016, and every two years thereafter, the Division  
21 of Mental Health, Developmental Disabilities, and Substance Abuse Services of the  
22 Department of Health and Human Services shall report on its participation with the Prescription  
23 Behavior Surveillance System to the Joint Legislative Oversight Committee on Health and  
24 Human Services and the Joint Legislative Oversight Committee on Justice and Public Safety.

25 **SECTION 6. Medicaid Lock-In Program.**

26 The Division of Medical Assistance of the Department of Health and Human  
27 Services (DMA) shall take the following steps to improve the effectiveness and efficiency of  
28 the Medicaid lock-in program:

- 29 (1) Establish written procedures for the operation of the lock-in program,  
30 including specifying the responsibilities of DMA and the program  
31 contractor.
- 32 (2) Establish procedures for the sharing of bulk data with the Controlled  
33 Substances Regulatory Branch.
- 34 (3) In consultation with the Physicians Advisory Group, extend lock-in duration  
35 to two years and revise program eligibility criteria to align the program with  
36 the statewide strategic goals for preventing prescription drug abuse. DMA  
37 shall report an estimate of the cost-savings from the revisions to the  
38 eligibility criteria to the Joint Legislative Program Evaluation Oversight  
39 Committee and the Joint Legislative Oversight Committee on Health and  
40 Human Services within one year of the lock-in program again becoming  
41 operational.
- 42 (4) Develop a Web site and communication materials to inform lock-in  
43 enrollees, prescribers, pharmacists, and emergency room health care  
44 providers about the program.
- 45 (5) Increase program capacity to ensure that all individuals who meet program  
46 criteria are locked in.
- 47 (6) Conduct an audit of the lock-in program within six months after the effective  
48 date of this act in order to evaluate the effectiveness of program restrictions  
49 in preventing overutilization of controlled substances, identify any program  
50 vulnerabilities, and address whether there is evidence of any fraud or abuse  
51 within the program.

1 DMA shall report to the Joint Legislative Program Evaluation Oversight Committee by  
2 September 30, 2015, on its progress toward implementing all items included in this section.

3 **SECTION 7. Statewide Strategic Plan.**

4 (a) There is hereby created the Prescription Drug Abuse Advisory Committee,  
5 to be housed in and staffed by the Department of Health and Human Services (DHHS). The  
6 Committee shall develop and, through its members, implement a statewide strategic plan to  
7 combat the problem of prescription drug abuse. The Committee shall include representatives  
8 from the following, as well as any other persons designated by the Secretary of Health and  
9 Human Services:

- 10 (1) The Division of Medical Assistance, DHHS.
- 11 (2) The Division of Mental Health, Developmental Disabilities, and Substance  
12 Abuse Services, DHHS.
- 13 (3) The Division of Public Health, DHHS.
- 14 (4) The Office of Rural Health and Community Care, DHHS.
- 15 (5) The State Bureau of Investigation.
- 16 (6) The Attorney General's Office.
- 17 (7) The following health care regulatory boards with oversight of prescribers  
18 and dispensers of prescription drugs:
  - 19 a. North Carolina Board of Dental Examiners.
  - 20 b. North Carolina Board of Nursing.
  - 21 c. North Carolina Board of Podiatry Examiners.
  - 22 d. North Carolina Medical Board.
  - 23 e. North Carolina Board of Pharmacy.
- 24 (8) The UNC Injury Prevention Research Center.
- 25 (9) The substance abuse treatment community.
- 26 (10) Community Care of North Carolina's (CCNC's) Project Lazarus.
- 27 (11) Governor's Institute on Substance Abuse, Inc.
- 28 (12) The Department of Insurance's drug take-back program.

29 After developing the strategic plan, the Committee shall be the State's steering committee to  
30 monitor achievement of strategic objectives and receive regular reports on progress made  
31 toward reducing prescription drug abuse in North Carolina.

32 (b) In developing the statewide strategic plan to combat the problem of  
33 prescription drug abuse, the Prescription Drug Abuse Advisory Committee shall, at a  
34 minimum, complete the following steps:

- 35 (1) Identify a mission and vision for North Carolina's system to reduce and  
36 prevent prescription drug abuse.
- 37 (2) Scan the internal and external environment for the system's strengths,  
38 weaknesses, opportunities, and challenges (a SWOC analysis).
- 39 (3) Compare threats and opportunities to the system's ability to meet challenges  
40 and seize opportunities (a GAP analysis).
- 41 (4) Identify strategic issues based on SWOC and GAP analyses.
- 42 (5) Formulate strategies and resources for addressing these issues.

43 (c) The strategic plan for reducing prescription drug abuse shall include three to  
44 five strategic goals that are outcome-oriented and measureable. Each goal must be connected  
45 with objectives supported by the following five mechanisms of the system:

- 46 (1) Oversight and regulation of prescribers and dispensers by State health care  
47 regulatory boards.
- 48 (2) Operation of the Controlled Substances Reporting System.
- 49 (3) Operation of the Medicaid lock-in program to review behavior of patients  
50 with high use of prescribed controlled substances.

- 1           (4)    Enforcement of State laws for the misuse and diversion of controlled  
2                    substances.
- 3           (5)    Any other appropriate mechanism identified by the Committee.
- 4           (d)    DHHS, in consultation with the Prescription Drug Abuse Advisory  
5 Committee, shall develop and implement a formalized performance management system that  
6 connects the goals and objectives identified in the statewide strategic plan to operations of the  
7 Controlled Substances Reporting System and Medicaid lock-in program, law enforcement  
8 activities, and oversight of prescribers and dispensers. The performance management system  
9 must be designed to monitor progress toward achieving goals and objectives and must  
10 recommend actions to be taken when performance falls short.
- 11          (e)    Beginning on December 1, 2016, and annually thereafter, DHHS shall  
12 submit an annual report on the performance of North Carolina's system for monitoring  
13 prescription drug abuse to the Joint Legislative Oversight Committee on Health and Human  
14 Services and the Joint Legislative Oversight Committee on Justice and Public Safety.
- 15           **SECTION 8.** This act is effective when it becomes law.