



North Carolina Department of Public Safety

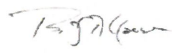
Prisons

Roy Cooper, Governor
Casandra Skinner Hoekstra, Interim Secretary

Timothy D. Moose, Chief Deputy Secretary
Todd E. Ishee, Commissioner of Prisons

MEMORANDUM

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

FROM: Casandra Skinner Hoekstra, Interim Secretary 
Timothy D. Moose, Chief Deputy Secretary 
Todd E. Ishee, Commissioner of Prisons 

RE: 340B Program Savings

DATE: October 1, 2021

Pursuant to N.C.G.S. §143B-707.10(a), 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, 2020, and annually thereafter, regarding (1) savings achieved from its partnership with the Department of Health and Human Services for the purchasing of certain medications for inmates under the federal 340B Program and (2) savings achieved from its partnership with the University of North Carolina Health Care System for the provision of inmate medications and services under the federal 340B Program.

Pursuant to N.C.G.S. §143B-707.10(b), 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, 2021, and annually thereafter, on savings achieved from the partnerships between the four prison regions and North Carolina 340B Program entities for the provision of inmate medications and services under the federal 340B Program.

Please find attached a report on 340B program savings achieved by the Division of Prisons.

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§143B-707.10(a)(1) Savings achieved from its partnership with the Department of Health and Human Services for the purchasing of certain medications for inmates under the federal 340B Program.

The 340B savings achieved on purchases through September 20, 2021, total \$1,758,547.

§143B-707.10(a)(2) Savings achieved from its partnership with the University of North Carolina Health Care System for the provision of inmate medications and services under the federal 340B Program.

Federal 340B Drug Pricing Program Omnibus Guidance, published in the Federal Register, requires that 340B covered entities maintain ownership of individual health care records. UNC-HCS, the covered entity, does not maintain the healthcare records for state inmates in custody of the Division of Prisons. Therefore, a partnership under the established model of care relationship between UNC-HCS and DPS is prohibited by federal law.

§143B-707.10(b) Savings achieved from the partnerships between the four prison regions and North Carolina 340B Program entities for the provision of inmate medications and services under the federal 340B Program.

A Request for Information (RFI) for a 340B consultant was issued in January 2020. No responses were received; therefore, no award was made. The Division of Prisons has since hired a 340B expert to coordinate efforts.