

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017**

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**HOUSE BILL 1108*
Committee Substitute Favorable 11/29/18
Senate Health Care Committee Substitute Adopted 12/4/18**

Short Title: PED/Inmate Pharmacy Purchasing/Monitoring.

(Public)

Sponsors:

Referred to:

November 29, 2018

A BILL TO BE ENTITLED

AN ACT TO MODIFY INMATE PHARMACY PURCHASING AND MONITORING.

The General Assembly of North Carolina enacts:

PURCHASING OF CERTAIN INMATE MEDICATIONS

SECTION 1.(a) The Legislative Services Commission through the Legislative Services Office shall contract for a consultant with expertise in the United States Health Resources and Services Administration (HRSA) 340B program to prepare a proposal for the HRSA-compliant purchasing of inmate medications through a Disproportionate Share Hospital (DSH), including, but not limited to, the University of North Carolina Health Care System (UNCHCS). In developing the proposal, UNCHCS and the Department of Public Safety, Health Services Section (DPS Health Services), shall provide the consultant any data or documents determined necessary by the consultant to prepare the proposal. The proposal shall include, but not be limited to, mechanisms for the purchasing of drugs for treating HIV/AIDS, Hepatitis C, cancer, neurological conditions, rheumatic diseases, and other costly medical conditions. In addition, the proposal shall include methods to implement purchasing using (i) a DSH's current on- or off-site clinics, (ii) current DPS clinics, and (iii) telemedicine. The consultant shall submit the proposal, including any proposed legislation necessary for implementation, to the Legislative Services Office and the Joint Legislative Oversight Committee on Justice and Public Safety on or before May 1, 2019.

SECTION 1.(b) Of the funds appropriated in Section 36.2(a) of S.L. 2018-5 to the General Assembly Legislative Services Office to develop a State Government Facilities Master Plan, up to twenty-five thousand dollars (\$25,000) shall be used to provide for the costs associated with contracting with the consultant described in Section 1(a) of this act.

REVISION TO MEDICATION ADMINISTRATION PROTOCOL

SECTION 2. The DPS Health Services Section shall revise its policies and procedures to reflect that any supply of a prescription for the treatment of conditions other than HIV with a per-supply value of one thousand dollars (\$1,000) or more be designated as Direct Observation Therapy. The Department shall report to the Joint Legislative Oversight Committee on Justice and Public Safety by October 1, 2019, regarding the revised policies and procedures.

COLLECTION OF DATA ON MEDICATIONS LOST DURING INMATE TRANSFER AND ESTABLISHMENT OF INTERNAL CONTROLS TO LIMIT THESE LOSSES



1 **SECTION 3.(a)** Part 2 of Article 13 of Chapter 143B of the General Statutes is
2 amended by adding a new section to read:

3 **"§ 143B-707.6. Medication losses related to inmate transfer.**

4 (a) The Health Services Section shall collect data on medication losses that occur during
5 inmate transfer. The collection methods shall provide, at a minimum, for all of the following:

6 (1) A mechanism to easily summarize medication losses across all identified
7 reasons for the loss.

8 (2) Information on the prison from which an inmate was transferred.

9 (3) Identification of custody officials involved in the transfer.

10 (b) The Department shall develop internal controls related to the oversight of medications
11 lost during inmate transfers based on the data collected under subsection (a) of this section. In
12 addition, the Department's Internal Audit unit shall establish an internal oversight function to
13 investigate any medication losses valued at greater than two hundred dollars (\$200.00).

14 (c) The Department shall also establish disciplinary actions for staff who are found to be
15 responsible for inmate medication losses during transfer. The Health Services Section shall be
16 responsible for addressing disciplinary actions for DPS Health Services prison staff who are
17 found to be responsible for medications lost during inmate transfers and shall refer incidents
18 involving custody staff to the appropriate unit for action."

19 **SECTION 3.(b)** DPS shall initiate an internal audit of its processes for transporting
20 medications during inmate transfer. The audit shall examine all medication losses incurred during
21 Fiscal Year 2018–2019 and shall include recommendations to improve controls and promote
22 accountability for medication losses. DPS shall submit the audit to the Joint Legislative Oversight
23 Committee on Justice and Public Safety by December 1, 2019.

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25 **CONTRACT WITH STATEWIDE RETAIL PHARMACIES, DATA COLLECTION,**
26 **AND OVERSIGHT MECHANISM**

27 **SECTION 4.(a)** Part 2 of Article 13 of Chapter 143B of the General Statutes is
28 amended by adding a new section to read:

29 **"§ 143B-707.7. Contract for limited use of local purchase of inmate pharmacy needs.**

30 (a) The Health Services Section shall adopt a statewide reimbursement for local
31 purchases of limited quantities of medicine. The statewide reimbursement rate shall be based on
32 the North Carolina State Health Plan for Teachers and State Employees reimbursement rate for
33 prescription drugs. Any pharmacy willing to accept the statewide reimbursement rate shall have
34 the right to participate in the plan.

35 (b) The Health Services Section shall obtain monthly electronic invoices of prescriptions
36 filled by each prison from the vendor chosen under subsection (a) of this section and shall develop
37 a mechanism to collect information on purchases made outside the contract. At a minimum, the
38 following information shall be collected for each prescription: (i) the inmate's prison, (ii) the
39 requesting provider, (iii) the medication requested, (iv) the quantity of the medication requested,
40 and (v) the total value of the prescription.

41 (c) The Department shall establish a formal oversight mechanism to ensure prescriptions
42 written by providers to be filled at local pharmacies do not exceed the quantities specified in the
43 Department's policy. The Health Services Section central office shall be responsible for
44 implementing the oversight function, shall use the data collected under subsections (a) and (b) of
45 this section to implement the function, and shall implement corrective and disciplinary actions
46 as needed."

47 **SECTION 4.(b)** The Department shall report to the Joint Legislative Oversight
48 Committee on Justice and Public Safety by November 1, 2019, on its efforts to award the contract
49 required under subsection (a) of this section.

50 **SECTION 5.** This act is effective when it becomes law.