

invited to send comments regarding our burden estimates or any other aspect of this collection of information, including the necessity and utility of the proposed information collection for the proper performance of the agency's functions, the accuracy of the estimated burden, ways to enhance the quality, utility, and clarity of the information to be collected, and the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

DATES: Comments must be received by November 29, 2019.

ADDRESSES: When commenting, please reference the document identifier or OMB control number. To be assured consideration, comments and recommendations must be submitted in any one of the following ways:

1. *Electronically.* You may send your comments electronically to <http://www.regulations.gov>. Follow the instructions for "Comment or Submission" or "More Search Options" to find the information collection document(s) that are accepting comments.

2. *By regular mail.* You may mail written comments to the following address: CMS, Office of Strategic Operations and Regulatory Affairs, Division of Regulations Development, Attention: Document Identifier/OMB Control Number __, Room C4-26-05, 7500 Security Boulevard, Baltimore, Maryland 21244-1850.

To obtain copies of a supporting statement and any related forms for the proposed collection(s) summarized in this notice, you may make your request using one of following:

1. Access CMS' website address at website address at <https://www.cms.gov/Regulations-and-Guidance/Legislation/PaperworkReductionActof1995/PRA-Listing.html>.

2. Email your request, including your address, phone number, OMB number, and CMS document identifier, to Paperwork@cms.hhs.gov.

3. Call the Reports Clearance Office at (410) 786-1326.

FOR FURTHER INFORMATION CONTACT: William N. Parham at (410) 786-4669.

SUPPLEMENTARY INFORMATION:

Contents

This notice sets out a summary of the use and burden associated with the following information collections. More detailed information can be found in each collection's supporting statement and associated materials (see **ADDRESSES**).

CMS-10709 Hospital Survey for Specified Covered Outpatient Drugs (SCODs)

Under the PRA (44 U.S.C. 3501-3520), federal agencies must obtain approval from the Office of Management and Budget (OMB) for each collection of information they conduct or sponsor. The term "collection of information" is defined in 44 U.S.C. 3502(3) and 5 CFR 1320.3(c) and includes agency requests or requirements that members of the public submit reports, keep records, or provide information to a third party. Section 3506(c)(2)(A) of the PRA requires federal agencies to publish a 60-day notice in the **Federal Register** concerning each proposed collection of information, including each proposed extension or reinstatement of an existing collection of information, before submitting the collection to OMB for approval. To comply with this requirement, CMS is publishing this notice.

Information Collection

1. *Type of Information Collection Request:* New collection (Request for a new OMB control number); *Title of Information Collection:* Hospital Survey for Specified Covered Outpatient Drugs (SCODs); *Use:* In the CY 2018 OPPI/ASC payment system final rule with comment period, CMS finalized a policy to adjust payment for separately payable outpatient drugs acquired by eligible hospitals at discounted rates under HRSA's 340B program from Average Sales Price (ASP) plus 6 percent to ASP minus 22.5 percent. According to 42 U.S.C. 256b, eligible hospitals include those with a Medicare Disproportionate Share Hospital adjustment of greater than 11.75 percent, Children's Hospitals, Critical Access Hospitals, Cancer Hospitals, Rural Referral Centers and Sole Community Hospitals. The 340B program sets a ceiling on the price that covered entities pay for outpatient drugs. The 340B ceiling price refers to the maximum amount that a manufacturer can charge a covered entity for the purchase of a 340B covered outpatient drug. The 340B ceiling price is statutorily defined as the Average Manufacturer Price (AMP) reduced by the rebate percentage, which is commonly referred to as the Unit Rebate Amount (URA).

On December 27, 2018, the United States District Court for the District of Columbia ruled that the Secretary of the Department of Health & Human Services exceeded his statutory authority to adjust payment rates under the Hospital Outpatient Prospective Payment System (OPPS) for separately payable, 340B-

acquired drugs. *See American Hospital Ass'n v. Azar*, 348 F. Supp. 3d 62, 82-83 (D.D.C. 2018), *appeal pending*, Nos. 19-5048 & 19-5198 (D.C. Cir.). The Court reasoned, in part, that the Secretary had not collected the necessary data to set payment rates based on acquisition costs. The government disagrees with that ruling and has appealed. Nonetheless, in the event that the ruling is affirmed, CMS believes that it is important to begin obtaining acquisition costs for specified covered outpatient drugs to set payment rates based on cost for 340B-acquired drugs when they are furnished by certain covered entity hospitals.

The acquisition cost data hospitals submit in response to this survey will be used to help determine payment amounts for drugs acquired under the 340B program. We want to ensure that the Medicare program pays for specified covered outpatient drugs purchased under the 340B program at amounts that approximate what hospitals actually pay to acquire the drugs. This will ensure that the Medicare program uses taxpayer dollars prudently while maintaining beneficiary access to these drugs and allowing beneficiary cost-sharing to be based on the amounts hospitals actually pay to acquire the drugs. *Form Number:* CMS-10709 (OMB control number: 0938-New); *Frequency:* Occasionally; *Affected Public:* Business or other for-profits and Not-for-profits, State, Local, or Tribal Governments; *Number of Respondents:* 761; *Total Annual Responses:* 46,610,448; *Total Annual Hours:* 33,484. (For policy questions regarding this collection contact Steven Johnson at 410-786-3332.)

Dated: September 25, 2019.

William N. Parham, III,

Director, Paperwork Reduction Staff, Office of Strategic Operations and Regulatory Affairs.

[FR Doc. 2019-21120 Filed 9-26-19; 4:15 pm]

BILLING CODE 4120-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS-3383-N]

Medicare, Medicaid, and CLIA Programs; Clinical Laboratory Improvement Amendments of 1988 Exemption of Laboratories Licensed by the State of Washington

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice.

SUMMARY: This notice announces that laboratories located in and licensed by the State of Washington that possess a valid license under the Medical Test Site law, Chapter 70.42 of the Revised Code of Washington, are exempt from the requirements of the Clinical Laboratory Improvement Amendments of 1988 (CLIA) for a period of 4 years.

DATES: The exemption takes effect on September 30, 2019 to October 2, 2023.

FOR FURTHER INFORMATION CONTACT: Daniel Cajigas, (410) 786-0783.

SUPPLEMENTARY INFORMATION:

I. Background and Legislative Authority

Section 353 of the Public Health Service Act (PHSA), as amended by the Clinical Laboratory Improvement Amendments of 1988 (CLIA) (Pub. L. 100-578), which was enacted on October 31, 1988, generally provides that no laboratory may perform tests on human specimens for the diagnosis, prevention or treatment of any disease or impairment of, or assessment of the health of, human beings unless it has a certificate to perform that category of tests issued by the Secretary of the Department of Health and Human Services (HHS). Under section 1861(s)(17)(A) of the Social Security Act (the Act), the Medicare program will only pay for laboratory services if the laboratory has an appropriate CLIA certificate for the testing they conduct. Under section 1902(a)(9)(C) of the Act, state Medicaid plans will generally only pay for laboratory services furnished by CLIA-certified laboratories. Thus, although subject to specified exemptions and exceptions, laboratories generally must have a current and valid CLIA certificate to test human specimens for the purposes noted above to be eligible for payment for those tests by the Medicare or Medicaid programs. Regulations implementing section 353 of the PHSA are contained in 42 CFR part 493.

Section 353(p) of the PHSA provides for the exemption of laboratories from CLIA requirements in states that enact legal requirements that are equal to or more stringent than CLIA's statutory and regulatory requirements. Section 353(p) of the PHSA is implemented in subpart E of our regulations at 42 CFR part 493. Sections 493.551(b) and 493.553 provide that we may exempt from CLIA requirements, for a period not to exceed 6 years, all state-licensed or state-approved laboratories in a state if the state licensure program meets the specified conditions. Section 493.559 provides that we will publish a notice in the **Federal Register** when we grant

an exemption to an approved state licensure program. It also provides that the notice will include the following:

- The basis for granting the exemption.
- A description of how the laboratory requirements are equal to or more stringent than those of CLIA.
- The term of approval, not to exceed 6 years.

A. State of Washington's Application for CLIA Exemption of Its Laboratories

The State of Washington has applied for exemption of its laboratories from CLIA program requirements. The State of Washington submitted all of the applicable information and attestations required by §§ 493.551(a), 493.553, and 493.557(b) for state licensure programs seeking exemption of their licensed laboratories from CLIA program requirements. Examples of documents and information submitted include: A comparison of its laboratory licensure requirements with comparable CLIA condition-level requirements (that is, a crosswalk); and a description of the following: Its inspection process; its proficiency testing (PT) monitoring process; its data management and analysis system; its investigative and response procedures for complaints received against laboratories; and its policy regarding announced and unannounced inspections.

B. CMS Analysis of Washington's Application and Supporting Documentation

To determine whether we should grant a CLIA exemption to laboratories licensed by a state, we review the application and additional documentation that the state submits to us and conduct a detailed and in-depth comparison of the state licensure program and CLIA's statutory and regulatory requirements to determine whether the state program meets the requirements at subpart E of part 493.

In summary, the state generally must demonstrate that:

- It has state laws in effect that provide for a state licensure program that has requirements that are equal to or more stringent than CLIA condition-level requirements for laboratories.
- It has implemented a state licensure program with requirements that are equal to or more stringent than the CLIA condition-level requirements such that a laboratory licensed by the state program would meet the CLIA condition-level requirements if it were inspected against those requirements.
- The requirements under that state licensure program meet or exceed the requirements of §§ 493.553, 493.555,

and 493.557(b) and are suitable for approval by us under § 493.551(a). For example, among other things, the program would need to:

++ Demonstrate that it has enforcement authority and administrative structures and resources adequate to enforce its laboratory requirements.

++ Permit us or our agents to inspect laboratories within the state.

++ Require laboratories within the state to submit to inspections by us or our agents as a condition of licensure.

++ Agree to pay any costs associated with our activities to validate its state licensure program as well as the state's pro rata share of the general overhead to develop and implement CLIA as specified in §§ 493.645(a), 493.646(b), and 493.557(b).

++ Take appropriate enforcement action against laboratories found by us or our agents out of compliance with requirements comparable to CLIA condition-level requirements, as specified in § 493.557(b).

As specified in our regulations at § 493.555 and § 493.557(b), our review of a state licensure program includes (but is not necessarily limited to) an evaluation of the following:

- Whether the state's requirements for laboratories are equal to or more stringent than the CLIA condition-level requirements.

- The state's inspection process requirements to determine the following:

++ The comparability of the full inspection and complaint inspection procedures to those of CMS.

++ The state's enforcement procedures for laboratories found to be out of compliance with its requirements.

- The ability of the state to provide us with electronic data and reports with the adverse or corrective actions resulting from PT results that constitute unsuccessful participation in CMS-approved PT programs and with other data we determine to be necessary for validation review and assessment of the state's inspection process requirements.

- The state's agreement with us to ensure that the agreement obligates the state to do the following:

++ Notify us within 30 days of the action taken against any CLIA-exempt laboratory that has had its licensure or approval withdrawn or revoked or been in any way sanctioned.

++ Notify us within 10 days of any deficiency identified in a CLIA-exempt laboratory in cases when the deficiency poses an immediate jeopardy to the laboratory's patients or a hazard to the general public.

++ Notify each laboratory licensed by the state under its approved state licensure program within 10 days of a withdrawal of our approval of the state's licensure program, and the resulting loss of the laboratory's exemption from CLIA based on its licensure under that program.

++ Provide us with written notification of any changes in the state's licensure (or approval) and inspection requirements.

++ Disclose to us or our agent any laboratory's PT results in accordance with the state's confidentiality requirements.

++ Take appropriate enforcement action against laboratories that we or our agents find to be out of compliance with CLIA condition-level requirements in a validation survey, and report these enforcement actions to us.

++ Notify us of all newly licensed laboratories, and any changes in the specialties and subspecialties for which any laboratory performs testing, within 30 days.

++ Provide us, as requested, inspection schedules for validation purposes.

In keeping with the process described above, we evaluated the application and supporting materials that were submitted by Washington State to verify that the laboratories licensed through its program will meet or exceed the requirements of the following subparts of part 493: Subpart H, Participation in Proficiency Testing for Laboratories Performing Nonwaived Testing; Subpart J, Facility Administration for Nonwaived Testing; Subpart K, Quality Systems for Nonwaived Testing, Subpart M, Personnel for Nonwaived Testing; Subpart Q, Inspection; and Subpart R, Enforcement Procedures.

We found that Washington State's laboratory licensure program requirements are equivalent to all the CLIA condition-level requirements. The state licensure program's inspection process and PT monitoring processes were adequate. Other materials that were submitted demonstrated compliance with the other above-referenced requirements of subpart E of part 493. As a result, we concluded that the submitted documents supported exempting laboratories licensed under that program from the CLIA program requirements.

The federal validation inspections of CLIA-exempt laboratories, as specified in § 493.563, were conducted on a representative sample basis, as well as in response to any substantial allegations of noncompliance (complaint inspections). The outcome of those validation inspections has been,

and will continue to be our principal tool for verifying that the laboratories located in, and licensed by the state are in compliance with CLIA requirements.

We have conducted validation inspections of a representative sample (approximately 5 percent) of the laboratories inspected by the Washington State Office of Laboratory Quality Assurance (LQA). The validation inspections were primarily of the concurrent type; that is, our surveyors accompanied Washington State's inspectors, each inspecting against his or her agency's respective regulations. Analysis of the validation data revealed no significant differences between the state and federal findings. The validation surveys verified that the State of Washington inspection process covers all CLIA conditions applicable to each laboratory being inspected and also verified that the state laboratory licensure requirements meet or exceed CLIA condition-level requirements. Our validation surveys found the state inspectors highly skilled and qualified. The LQA inspected laboratories in a timely fashion; that is, all laboratories were inspected within the required 24-month cycle. All parameters monitored by our regional office in Seattle, Washington, to date, indicate that the State of Washington is meeting all requirements for approval of CLIA exemption. This federal monitoring will continue as an on-going process.

C. Conclusion

Based on review of the documents submitted by the Washington state licensure program under the requirements of subpart E of part 493, as well as the outcome of the validation inspections conducted by our regional office in Seattle, Washington, we find that the State of Washington's licensure program meets the requirements of § 493.551(a), and that, as a result, we may exempt from CLIA program requirements all state-licensed laboratories.

Approval of the CLIA exemption for laboratories located within and licensed by the State of Washington laboratory licensure program is subject to removal if we determine that the outcome of a comparability review or a validation review inspection is not acceptable, as described under §§ 493.573 and 493.575, or if the State of Washington fails to pay the required fee every 2 years as required under § 493.646(b).

D. Laboratory Data

In accordance with our regulations at § 493.557(b)(8), the approval of this exemption for laboratories located within and licensed by the State of

Washington is conditioned on the State of Washington's continued compliance with the assertions made in its application, especially the provision of information to us about changes to a laboratory's specialties or subspecialties based on the state's survey, and changes to a laboratory's certification status.

E. Required Administrative Actions

CLIA is a user-fee funded program. The registration fee paid by laboratories is intended to cover the cost of the development and administration of the program. However, when a state's application for exemption is approved, we do not charge a fee to laboratories in the state. The state's share of the costs associated with CLIA must be collected from the state, as specified in § 493.645(a).

The State of Washington must pay for the following:

- Costs of federal inspections of laboratories in the state to verify that Washington State's laboratory licensure program requirements are equivalent to or more stringent than those in the CLIA program, and that they are enforced in an appropriate manner. The average federal hourly rate is multiplied by the total hours required to perform federal validation surveys within the state.

- Costs incurred for federal surveys, including investigations of complaints that are substantiated. We will bill the State of Washington on a semiannual basis.

- The State of Washington's proportionate share of the costs associated with establishing, maintaining, and improving the CLIA computer system, based on the portion of those services from which the State of Washington received direct benefit or which contributed to the CLIA program in the state. Thus, the State of Washington is being charged for a portion of our direct and indirect costs of administering the CLIA program. Such costs will be incurred by CMS, the Centers for Disease Control and Prevention (CDC), the Food and Drug Administration (FDA) and contractors working on behalf of these respective agencies.

To estimate the State of Washington's proportionate share of the general overhead costs to develop and implement CLIA, we determined the ratio of laboratories in the state to the total number of laboratories nationally. Approximately 1.6 percent of the registered laboratories are in the State of Washington. We determined that a corresponding percentage of the applicable CMS, CDC, FDA, and their respective contractor costs should be borne by the State of Washington.

The State of Washington has agreed to pay the state's pro rata share of the anticipated overhead costs and costs of actual validation (including complaint investigation surveys). A final reconciliation for all laboratories and all expenses will be made. We will reimburse the state for any overpayment or bill it for any balance.

II. Approval

In light of the foregoing, we grant approval of the State of Washington's laboratory licensure program under subpart E. All laboratories located in and licensed by the State of Washington under the Medical Test Site law, Chapter 70.42 of the Revised Code of Washington, are CLIA-exempt for all specialties and subspecialties until October 2, 2023.

III. Collection of Information Requirements

This document does not impose information collection requirements, that is, reporting, recordkeeping or third-party disclosure requirements. Consequently, there is no need for review by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

Dated: September 12, 2019.

Seema Verma,

Administrator, Centers for Medicare & Medicaid Services.

[FR Doc. 2019-21062 Filed 9-27-19; 8:45 am]

BILLING CODE 4120-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

Performance Review Board Membership

AGENCY: Centers for Medicare & Medicaid Services, HHS.

ACTION: Notice of Performance Review Board Membership.

FOR FURTHER INFORMATION CONTACT:

Kathy Vaughn, 410-786-1050 or katherine.vaughn@cms.hhs.gov.

5 U.S.C. 4314(c)(1) through (5) requires each agency to establish, in accordance with regulations prescribed by the Office of Personnel Management, one or more Senior Executive Service (SES) Performance Review Boards.

The PRB shall review and evaluate the initial summary rating of a senior executive's performance, the executive's response, and the higher-level official's comments on the initial summary

rating. In addition, the PRB will review and recommend executive performance bonuses and pay increases.

5 U.S.C. 4314(c)(4) requires the appointment of board members to be published in the **Federal Register**. The following persons comprise a standing roster to serve as members of the SES PRB for the Centers for Medicare & Medicaid Services:

Jennifer Main, Chief Operating Officer (serves as the Chair)

Kimberly Brandt, Principal Deputy Administrator for Policy and Operations

Scott Giberson, Acting Director, Office of Human Capital

Nancy O'Connor, Acting Consortium Administrator, Consortium for Medicare Health Plans Operations

Randy Pate, Deputy Administrator and Director, Center for Consumer Information and Insurance Oversight

Elizabeth Richter, Deputy Center Director, Center for Medicare

Arrah Tabe-Bedward, Deputy Director, Center for Medicare and Medicaid Innovation

Jeffrey, Deputy Director for Operations, Center for Consumer Information and Insurance Oversight

Dated: September 5, 2019.

Jennifer Main,

Chief Operating Officer.

[FR Doc. 2019-21061 Filed 9-27-19; 8:45 am]

BILLING CODE 4120-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA-2019-D-3361]

Eligibility Criteria for Expanded Conditional Approval of New Animal Drugs; Draft Guidance for Industry; Availability

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice of availability.

SUMMARY: The Food and Drug Administration (FDA or Agency) is announcing the availability of a draft guidance for industry (GFI) #261 entitled "Eligibility Criteria for Expanded Conditional Approval of New Animal Drugs." This draft guidance is intended for persons interested in pursuing conditional approval of new animal drugs for certain major uses in major species. Eligibility for conditional approval has been expanded beyond minor uses in major species and minor species to include certain major uses. The Center for Veterinary Medicine

(CVM) refers to the process for conditionally approving new animal drugs that are not minor use and minor species (MUMS) drugs as "expanded conditional approval." The purpose of expanded conditional approval is to incentivize development of new animal drugs for serious or life-threatening conditions or unmet animal or human health needs under circumstances where a demonstration of effectiveness would require a complex or particularly difficult study or studies. This draft guidance defines certain terms, clarifies the eligibility criteria for expanded conditional approval, and describes the criteria CVM intends to consider when determining expanded conditional approval eligibility.

DATES: Submit either electronic or written comments on the draft guidance by January 28, 2020 to ensure that the Agency considers your comment on this draft guidance before it begins work on the final version of the guidance.

ADDRESSES: You may submit comments on any guidance at any time as follows:

Electronic Submissions

Submit electronic comments in the following way:

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments. Comments submitted electronically, including attachments, to <https://www.regulations.gov> will be posted to the docket unchanged. Because your comment will be made public, you are solely responsible for ensuring that your comment does not include any confidential information that you or a third party may not wish to be posted, such as medical information, your or anyone else's Social Security number, or confidential business information, such as a manufacturing process. Please note that if you include your name, contact information, or other information that identifies you in the body of your comments, that information will be posted on <https://www.regulations.gov>.

- If you want to submit a comment with confidential information that you do not wish to be made available to the public, submit the comment as a written/paper submission and in the manner detailed (see "Written/Paper Submissions" and "Instructions").

Written/Paper Submissions

Submit written/paper submissions as follows:

- **Mail/Hand Delivery/Courier (for written/paper submissions):** Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, Rm. 1061, Rockville, MD 20852.