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OFA
OUTSOURCING FACILITIES ASSOCIATION

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Dockets Management Staff (HFA–305)
Food and Drug Administration
5630 Fishers Lane, Rm. 1061
Rockville, MD 20852

Re: Docket No. FDA-2019-N-3077 for "Agency Information Collection Activities; Obtaining Information to Understand Challenges and Opportunities Encountered by Compounding Outsourcing Facilities"

The Outsourcing Facilities Association ("OFA") is the trade association representing FDA-registered outsourcing facilities ("503Bs") operating pursuant to Section 503B of the Federal Food, Drug, and Cosmetic Act ("FFDCA"). OFA's members provide compounding services to patients, healthcare providers, and healthcare facilities, and strive to ensure the specific needs of both providers and patients are met with safe and effective compounded and/or repackaged medications. OFA has been actively following U.S. Food and Drug Administration's (the "FDA") implementation of the Compounding Quality Act ("CQA") and has brought together members of industry to advocate for a reasonable and practical rollout of the CQA.

OFA appreciates FDA's interest in developing a comprehensive understanding of the outsourcing facility sector, its challenges, and opportunities for advancement. However, the OFA urges the FDA to take stakeholder feedback into account when formulating its information collection activities. The OFA has previously submitted comments on this information collection on two occasions and yet FDA's questions remain unchanged.[1] FDA proposed the following questions for inclusion in an information request that may be distributed to 503Bs.

1. What financial and operational considerations inform outsourcing facility operational and business model decisions?
2. What factors impact developing a sustainable outsourcing facility business?
3. What financial and operational considerations inform outsourcing facility product decisions?
4. Do outsourcing facilities understand the Federal laws and policies that apply to them? What, if any, knowledge gaps do we need to address?
5. What are outsourcing facilities' challenges when implementing Federal CGMP requirements?
6. How do outsourcing facilities implement quality practices at their facilities?
7. How do outsourcing facilities develop CGMP and quality expertise? How do they obtain this knowledge, and what training do they need?
8. What are the economic consequences of CGMP noncompliance and product failures for outsourcing facilities?
9. What are outsourcing facility management and staff views on current interactions with FDA? How do they want the interactions to change?
10. What are outsourcing facilities' understanding of how to engage with FDA during and following an inspection?

[1] OFA Comment dated January 15, 2020, Document ID: FDA-2019-N-3077-0006; OFA Comment dated August 17, 2020, Document ID: FDA-2019-N-3077-0011.

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While OFA believes the ten (10) questions identified by FDA, which FDA may pose to outsourcing facilities and similar compounding businesses, could provide insight into the outsourcing facility sector, OFA believes the following questions and clarifications may better inform FDA of the challenges and opportunities outsourcing facilities face. For this reason, OFA respectfully submits this comment, including a list of additional questions, in response to the FDA's Federal Register Notice titled *Agency Information Collection Activities; Obtaining Information to Understand Challenges and Opportunities Encountered by Compounding Outsourcing Facilities*.

I. OFA proposes the following additional questions and clarifications to better inform research.

1. What percentage of your operations are compounding from bulk versus compounding from finished dosage form?
2. What are the research and development costs associated with a 503B preparing to produce a compounded drug product?
3. If a drug is removed from the Drug Shortage List, how long should outsourcing facilities be able to sell existing inventory?
4. How much does it cost to perform the testing required under cGMP?
5. If a drug is added to the Drug Shortage List, how long does it take until you can fulfill orders using bulk drug substances to compound the product?
6. What challenges do you face when compounding from FDA approved product as a starting material?
7. What supply issues have you experienced?
8. Where do you source starting materials from?
9. How has FDA guidance affected the operation of your outsourcing facility?
10. How can FDA help to explain to customers that outsourcing facilities follow CGMP, the same standards that pharmaceutical manufacturers follow?
11. How can FDA publicly identify outsourcing facilities that are compliant with regulations from those that are non-compliant?
12. How can FDA increase transparency with inspections?
13. What is your experience with the development of the 503B Bulk List?
14. How can FDA improve the development of the 503B Bulk List?
15. What issues have you experienced with State Agencies?
16. What percentage of your operations are compounding sterile products versus nonsterile products?
17. What provisions of Section 503B affect patient safety?
18. What topics could the industry benefit from additional FDA guidance?

II. OFA's rationale for the additional questions.

OFA proposed several questions about bulk drug substances because OFA and its members express concern over the development of the 503B Bulks List. To date, there is not one substance for which FDA has identified there is a clinical need to compound from bulk. The interim list of category 1, category 2, and category 3 is not updated consistently, as FDA expressed in guidance. There remain thousands of substances that were nominated but do not appear in either category. Additionally, OFA believes there could be more transparency as to the review process. Does FDA want us to re-nominate every substance nominated prior to March 4, 2019 when the final guidance entitled "Evaluation of Bulk Drug Substances Nominated for Use in Compounding Under Section 503B of the Federal Food, Drug, and Cosmetic Act" became available? Most of the nominations were submitted prior to March 4, 2019. Outsourcing facilities

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need clarification and transparency in the development of the 503B Bulks List. Currently, it is not feasible for outsourcing facilities to invest in products if a bulk drug substance can be taken off of category 1 at any time.

OFA appreciates question number four (4) regarding federal legislative and regulatory policies that apply to outsourcing facilities. With respect to this question, OFA continues to ask for clarification on the essentially a copy guidance. Specifically, OFA seeks clarification on whether the guidance only applies when compounding from bulk, or whether the guidance also applies when compounding from finished product.

While OFA acknowledges the definition of "outsourcing facility" in Section 503B, FDA should consider using enforcement discretion for facilities that compound only nonsterile products in respect to 503B-registered outsourcing facilities. Most 503Bs compound sterile and nonsterile medications. Patient safety is increased by compounding under CGMP because CGMP is a stricter standard than USP <795> and USP <797>. Some facilities may decide to only compound nonsterile products. If following CGMPs, a 503B that is registered with the FDA and complying with the requirements of Section 503B should enjoy the benefits of being an outsourcing facility without having to compound sterile products. Thus, 503Bs could compound only non-sterile medications under CGMP.

OFA continues to hear from its members that the pace at which inspections are classified and closed creates an inconsistent enforcement environment. Specifically, there are a number of firms that have inspections that remain open after multiple years. Many of these include firms that are operating under a Warning Letter or additional actions. There is no apparent distinction between compliant and non-compliant 503Bs. We further believe that closure of inspections in the form of published FMD letters and EIRs that are discoverable via FOIA, provides direct feedback to the industry and the transparency of such will also signal consistent enforcement of CGMP standards. Specifically, it will be clear what is considered "compliant". We recommend the agency adopt a program similar to what has been proposed for the generic industry whereby inspections are classified and EIR is closed within 90 days upon satisfactory responses.

III. Conclusion

OFA appreciates FDA's interest in developing a comprehensive understanding of the outsourcing facility sector, its challenges, and opportunities for advancement. OFA maintains that its additional questions, or questions on those topics, will help to better inform FDA of the outsourcing facility sector.