

Video Script: “A Message from the Inspector General: Review of the Federal Bureau of Prisons’ Pharmaceutical Drug Costs and Procurement,” February 2020

Hello, I’m Michael Horowitz, Inspector General for the U.S. Department of Justice.

Today we released a report identifying concrete steps the Federal Bureau of Prisons can take to control its pharmaceutical drug costs. In Fiscal Year 2018, the BOP spent about \$127 million for drug purchases, a 71 percent increase since 2012, while during that same period, the BOP’s inmate population decreased by 7 percent.

Among the findings in our report was that the BOP does not have access to what is called the “Big 4” price, which is a discounted price for drugs that, by law, is only available to 4 federal agencies—and not the BOP. The BOP estimated it could have saved over \$13 million in 2017 with Big 4 pricing. We found that the BOP has taken steps to obtain the Big 4 price, but the Justice Department is not actively pursuing it. We believe the Department needs to fully explore options to obtain this favorable pricing for the BOP and its other components.

We also found that the BOP did not ensure that its institutions ordered drugs at the lowest available prices, and that the BOP doesn’t collect complete or accurate data on drug purchases. As a result, the BOP is missing opportunities to reduce drug costs.

Our report also includes a case study of Hepatitis C treatment for BOP inmates. Those treatment costs have increased by about 470 percent since 2012, and accounted for nearly 20% of BOP’s drug spending in 2018. In developing this case study, we learned that not all inmates in the BOP’s custody are tested for Hepatitis C, and that the BOP does not track Hepatitis C treatment needs in a systematic way. BOP officials also told us that the cost of Hepatitis C drugs has impeded institutions’ ability to treat all inmates that require Hepatitis C treatment. We believe these findings demonstrate the need for BOP to assess its Hepatitis C testing and treatment practices.

To read the report and all of our findings, visit our website, oig.justice.gov, or go to oversight.gov. Thank you for joining me today.

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