Coastal Meds, LLC. 6/22/16

Department of Health and Human Services

Public Health Service
Food and Drug Administration
New Orleans District
404 BNA Drive
Building 200 – Suite 500
Nashville, TN 37217
Telephone: (615) 366-7801
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June 22, 2016

WARNING LETTER NO. 2016-NOL-09

UNITED PARCEL SERVICE
Delivery Signature Requested

Dr. Rickey L. Chance
President/Owner
Coastal Meds, LLC
1759 Medical Park Drive, Suite C
Biloxi, Mississippi 39532-2154

Dear Dr. Chance:

You registered with the U.S. Food and Drug Administration (FDA) as an outsourcing facility under section 503B of the Federal Food, Drug, and Cosmetic Act (FDCA) [21 *United States Code* (USC) 353b][1] December 23, 2014, and again on December 16, 2015. From September 15 to September 23, 2015, an FDA investigator inspected your facility, Coastal Meds, LLC, located at 1759 Medical Park Drive, Suite C, Biloxi, Mississippi. During the inspection, the FDA investigator observed serious deficiencies in your practices for producing sterile drug products, which put patients at risk. For example, during aseptic processing, the FDA investigator observed personnel reaching over filled pre-stoppered vials to fill other vials behind the filled pre-stoppered vials, and the sleeve of the non-sterile gown was observed touching the top of filled pre-stoppered vials. Also, our investigator observed operators producing sterile drug products in the ISO 5 areas with exposed facial skin and facial hair. In addition, your firm failed to demonstrate through appropriate studies your hoods are able to provide adequate protection of the ISO 5 area in which sterile products are processed. Therefore, your products may be produced in an environment which poses a significant contamination risk. Furthermore, the

investigator observed you failed to meet the conditions under Section 503B of the FDCA necessary for drugs produced by an outsourcing facility to qualify for exemptions from certain requirements under the FDCA. FDA issued a Form FDA 483, Inspectional Observation to you on September 23, 2015. FDA acknowledges receipt of your response, received October 14, 2015. Based on this inspection, it appears your facility is producing drugs that violate the FDCA. on

A. Compounded Drugs under the FDCA

The Drug Quality and Security Act (DQSA) was enacted on November 27, 2013. Title I of the DQSA, the Compounding Quality Act (CQA), added a new Section 503B to the FDCA. Under Section 503B(b), a compounder can register as an outsourcing facility with FDA. Drug products compounded by or under the direct supervision of a licensed pharmacist in an outsourcing facility can qualify for exemptions from the drug approval requirements in Section 505 of the FDCA [21 USC 355(a)], the requirement in Section 502(f)(1) of the FDCA [21 USC 352(f)(1)] that labeling bear adequate directions for use and the Drug Supply Chain Security Act requirements in Section 582 of the FDCA [21 USC 360eee-1] if the conditions in Section 503B of the FDCA are met.

An outsourcing facility, which is defined in Section 503B(d)(4) of the FDCA [21 USC 353b(d)(4)], is a facility at one geographic location or address that – (i) is engaged in the compounding of sterile drugs; (ii) has elected to register as an outsourcing facility; and (iii) complies with all of the requirements of this section. Outsourcing facilities must comply with other provisions of the FDCA, including Section 501(a)(2)(B) [21 USC 351(a)(2)(B)], regarding current good manufacturing practice (CGMP), and Section 501(a)(2)(A) [21 USC 351(a)(2)(A)], regarding insanitary conditions. Generally, CGMP requirements for the preparation of drug products are established in Title 21, *Code of Federal Regulations* (CFR) Parts 210 and 211.

B. Violations of the FDCA

The FDA investigator noted drug products intended or expected to be sterile were prepared, packed, or held under insanitary conditions whereby they may have been contaminated with filth or rendered injurious to health, causing them to be adulterated within the meaning of Section 501(a)(2)(A) of the FDCA. Furthermore, the FDA investigator observed significant CGMP violations at your facility, causing your drug products to be adulterated within the meaning of Section 501(a)(2)(B) of the FDCA.

In addition, the FDA investigator observed your facility failed to meet the conditions of Section 503B. For example, during the inspection, the FDA investigator noted some of your facility's drug products do not include the following on the label: the statement, "This is a compounded drug"; the dosage form of the product; the statement, "Not for resale"; and, for your facility's drug products are dispensed or distributed other than pursuant to a prescription for an individual identified patient, the statement, "Office Use Only." Additionally, the containers for some of the drug products you produce did not include information to facilitate adverse event reporting Section 503B(a)(10) of the FDCA [21 USC 353b(a)(10)]. In addition, your facility failed to submit a report to FDA, upon initial registration as an outsourcing facility and in June 2015, identifying the drug products you compounded during the previous six

month period Section 503B(b)(2) of the FDCA [21 USC 353b(b)(2)].

Because your compounded drug products have not met all of the conditions in Section 503B, they are not eligible for the exemptions under Section 503B from the FDA approval requirements in Section 505, the requirement under Section 502(f)(1), labeling bear adequate directions for use, and the Drug Supply Chain Security Act requirements described in Section 582 of the FDCA.[2]

Specific violations are described below.

Adulterated Drug Products

The FDA investigator noted drug products compounded in your facility that were intended or expected to be sterile were prepared, packed, or held under insanitary conditions, whereby they may have become contaminated with filth or rendered injurious to health, causing your drug products to be adulterated under Section 501(a)(2)(A) of the FDCA. For example, during aseptic processing, the FDA investigator observed personnel reaching over filled pre-stoppered vials to fill other vials behind the filled pre-stoppered vials, and the sleeve of the non-sterile gown was observed touching the top of filled pre-stoppered vials. Also, our investigator observed operators producing sterile drug products in the ISO 5 areas with exposed facial skin and facial hair. In addition, your firm failed to demonstrate through appropriate studies your hoods are able to provide adequate protection of the ISO 5 area in which sterile products are processed. Therefore, your products may be produced in an environment that poses a significant contamination risk.

The FDA investigator also noted CGMP violations at your facility, causing your drug products to be adulterated within the meaning of Section 501(a)(2)(B) of the FDCA. The violations include, for example:

1. Your firm failed to establish an adequate system for monitoring environmental conditions in aseptic processing areas. [21 CFR 211.42(c)(10)(iv)]

2. Your firm failed to ensure manufacturing personnel wear clothing appropriate to protect drug product from contamination [21 CFR 211.28(a)].

3. Your firm failed to establish and follow appropriate written procedures designed to prevent microbiological contamination of drug products purporting to be sterile, and include validation of all aseptic and sterilization processes. [21 CFR 211.113(b)]

4. Your firm failed to establish an adequate system for cleaning and disinfecting the room and equipment to produce aseptic conditions. [21 CFR 211.42(c)(10)(v)]

5. Your firm failed to establish and follow an adequate written testing program designed to assess the stability characteristics of drug products and to use results of such stability testing to determine appropriate storage conditions and expiration dates. [21 CFR 211.166(a)]

6. Your firm failed to thoroughly investigate any unexplained discrepancy and the failure of a batch or any of its components to meet any of its specifications whether or not the batch has already been distributed. [21 CFR 211.192].

Outsourcing facilities must comply with CGMP requirements under Section 501(a)(2)(B) of the FDCA. FDA's regulations regarding CGMP requirements for the preparation of drug products have been established in 21 CFR 210 and 211. FDA intends to promulgate more specific CGMP regulations for outsourcing facilities. FDA has issued a draft guidance, *Current Good Manufacturing Practice — Interim Guidance for Human Drug Compounding Outsourcing Facilities under Section 503B of the FD&C Act*. This draft guidance, when finalized, will describe FDA's expectations regarding outsourcing facilities and the CGMP requirements in 21 CFR 210 and 211 until more specific CGMP regulations for outsourcing facilities are promulgated.

Under Section 301(a) of the FDCA [21 USC 331(a)], the introduction or delivery for introduction into interstate commerce of any drug that is adulterated is a prohibited Act. Further, it is a prohibited Act under Section 301(k) of the FDCA [21 USC 331(k)] to do any Act with respect to a drug, if such Act is done while the drug is held for sale after shipment in interstate commerce and results in the drug being adulterated.

Unapproved New Drug Products

You do not have any FDA approved applications on file for your drug products.[3] Under Sections 301(d) and 505(a) of the FDCA [21 USC 331(d) and 355(a)], a new drug may not be introduced or delivered for introduction into interstate commerce unless an application approved by FDA under Section 505 of the FDCA is in effect for the drug.

Misbranded Drug Products

You compound drug products intended for conditions not amenable to self-diagnosis and treatment by individuals who are not medical practitioners; therefore, adequate directions for use cannot be written so a layman can use these products safely for their intended uses. Consequently, their labeling fails to bear adequate directions for their intended uses, causing them to be misbranded under Section 502(f)(1) of the FDCA; and, they are not exempt from the requirements of Section 502(f)(1) of the FDCA (*see, e.g.,* 21 CFR 201.115). The introduction or delivery for introduction into interstate commerce of these products therefore violates Section 301(a) of the FDCA. Further, it is a prohibited Act under Section 301(k) of the FDCA to do any Act with respect to a drug, if such Act is done while the drug is held for sale after shipment in interstate commerce and results in the drug being misbranded.

Failure to Report Drugs

As noted above, your facility failed to submit a report to FDA, upon initial registration as an outsourcing facility in December 2014, and again in June 2015, identifying the drug products compounded during the previous six month period under Section 503B(b)(2) of the FDCA [21 USC 353b(b)(2)]. Failure to report drugs by an entity

registered with FDA in accordance with Section 503B(b) is a prohibited Act under Section 301(ccc)(3) of the FDCA [21 USC 331(ccc)(3)].

C. Corrective Actions

In your October 14, 2015, correspondence, you described certain corrective actions in response to the Form FDA 483 observations. Although some of your proposed corrective actions appear adequate, others are deficient. For example, your firm stated a smoke study was conducted by a third party contactor and short videos were provided as documentation; however, this certification was not performed under dynamic conditions, and you stated dynamic studies will be conducted during the next certification. No other supporting records, such as a copy of the **(b)(4)** report and results, were provided nor was the date of the next certification provided. In addition, your firm failed to provide interim corrective actions to be implemented to protect product being produced in the meantime.

FDA strongly recommends your management immediately undertake a comprehensive assessment of your operations, including facility design, procedures, personnel, processes, materials, and systems. In particular, this review should assess your aseptic processing operations. A third party consultant with relevant sterile drug manufacturing expertise could be useful in conducting this comprehensive evaluation. You should fully implement necessary corrections in order to ensure the drug products produced by your firm conform to the basic quality standards that ensure safety, identity, strength, quality, and purity.

In addition to the issues discussed above, you should note CGMP requires the implementation of quality oversight and controls over the manufacture of drugs, including the safety of raw materials, materials used in drug manufacturing, and finished drug products. *See* Section 501 of the FDCA, as amended by the Food and Drug Administration Safety and Innovation Act (Pub.L. 112-144, Title VII, Section 711). We note you have chosen to hire a contract testing laboratory to perform some of the required testing of your finished drug products. If you choose to contract with a laboratory to perform some functions required by CGMP, it is essential you select a qualified contractor and you maintain sufficient oversight of the contractor's operations to ensure it is fully CGMP compliant. Regardless of whether you rely on a contract facility, you are responsible for assuring drugs you introduce into interstate commerce are neither adulterated nor misbranded. [*See* 21 CFR 210.1(b), 21 CFR 200.10(b).]

D. Conclusion

The violations cited in this letter are not intended to be an all-inclusive statement of violations at your facility. You are responsible for investigating and determining the causes of the violations
identified above and for preventing their recurrence or the occurrence of other violations. It is your responsibility to ensure your firm complies with all requirements of federal law, including FDA regulations.

You should take prompt action to correct the violations cited in this letter. Failure to promptly correct these violations may result in legal action without further notice,

including, without limitation, seizure and injunction. FDA intends to re-inspect your facility to verify corrective actions have been completed.

Within 15 working days of receipt of this letter, please notify this office in writing of the specific steps you have taken to correct violations. Please include an explanation of each step being taken to prevent the recurrence of violations, as well as copies of related documentation. If you do not believe the products discussed above are in violation of the FDCA, include your reasoning and any supporting information for our consideration. If you cannot complete corrective actions within 15 working days, state the reason for the delay and the time frame within which you will complete the corrections.

If you have questions regarding any issues in this letter, please contact Compliance Officer Rebecca Asente via email at Rebecca.Asente@fda.hhs.gov or by phone at 504-846-6104. Please address your reply to Rebecca A. Asente, Compliance Officer, at the address above.

Sincerely,
/S/
Ruth P. Dixon
District Director
New Orleans District

cc: Frank Gammill, Executive Director
Mississippi Board of Pharmacy
6360 I-55 North, Suite 400
Jackson, Mississippi 39211

Cheri Atwood, Compliance Director
Mississippi Board of Pharmacy
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[1] *See* Pub. L. No. 113-54, § 102(a), 127 Stat. 587, 587-588 (2013).

[2] See, e.g., Section 503B(a)(11) of the FDCA [21 U.S.C. § 353b(a)(11)].

[3] The specific products made by your firm are drugs within the meaning of section 201(g) of the Act, [21 U.S.C. § 321(g)] because they are intended for use in the diagnosis, cure, mitigation, treatment, or prevention of diseases and/or because they are intended to affect the structure or any function of the body. Further, they are “new drugs” within the meaning of section 201(p) of the FDCA [21 U.S.C. § 321(p)] because they are not generally recognized as safe and effective for their labeled uses.