

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than September 16, 1996.

A. Federal Reserve Bank of New York (Christopher J. McCurdy, Senior Vice President) 33 Liberty Street, New York, New York 10045:

1. *Sussex Bancorp*, Franklin, New Jersey; to become a bank holding company by acquiring 100 percent of the voting shares of The Sussex County State Bank, Franklin, New Jersey.

B. Federal Reserve Bank of Chicago (James A. Bluemle, Vice President) 230 South LaSalle Street, Chicago, Illinois 60690:

1. *American Bancshares, Incorporated*, Holstein, Iowa; and *Ida Grove Bancshares, Inc.*, Ida Grove, Iowa; to acquire 100 percent of the voting shares of Farmers State Bank, Charter Oak, Iowa.

Board of Governors of the Federal Reserve System, August 19, 1996.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 96-21525 Filed 8-22-96; 8:45 am]

BILLING CODE 6210-01-F

Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.25 of Regulation Y (12 CFR 225.25) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. Once the notice has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act, including whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or

gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices" (12 U.S.C. 1843). Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than September 6, 1996.

A. Federal Reserve Bank of Cleveland (R. Chris Moore, Senior Vice President) 1455 East Sixth Street, Cleveland, Ohio 44101:

1. *National City Corporation*, Cleveland, Ohio; to acquire 51 percent of the voting shares of Muirfield Mortgage Limited Partnership, an Ohio limited partnership to be formed, through its wholly-owned subsidiary, National City Mortgage Company, and thereby engage in residential mortgage loan origination activities pursuant to § 225.25(b)(1) of the Board's Regulation Y.

B. Federal Reserve Bank of St. Louis (Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63166:

1. *Allegiant Bancorp, Inc.*, St. Louis, Missouri; to engage *de novo* through its subsidiary, Edge Mortgage Services, Inc., Maryland Heights, Missouri, in the making, acquiring, servicing and selling of mortgage loans pursuant to § 225.25(b)(1) of the Board's Regulation Y.

Board of Governors of the Federal Reserve System, August 19, 1996.

Jennifer J. Johnson

Deputy Secretary of the Board

[FR Doc. 96-21526 Filed 8-22-96; 8:45 am]

BILLING CODE 6210-01-F

Sunshine Act Meeting

AGENCY HOLDING THE MEETING: Board of Governors of the Federal Reserve System.

TIME AND DATE: 10:00 a.m., Wednesday, August 28, 1996.

PLACE: Marriner S. Eccles Federal Reserve Board Building, C Street entrance between 20th and 21st Streets, NW., Washington, DC 20551.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

1. Personnel actions (appointments, promotions, assignments, reassignments, and salary actions) involving individual Federal Reserve System employees.
2. Any items carried forward from a previously announced meeting.

CONTACT PERSON FOR MORE INFORMATION:

Mr. Joseph R. Coyne, Assistant to the Board; (202) 452-3204. You may call (202) 452-3207, beginning at approximately 5 p.m. two business days before this meeting, for a recorded announcement of bank and bank holding company applications scheduled for the meeting.

Dated: August 21, 1996.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 96-21644 Filed 8-21-96; 10:57 am]

BILLING CODE 6210-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Program Support Center; Agency Information Collection Activities: Proposed Collections; Comment Request

The Department of Health and Human Services, Program Support Center, will periodically publish summaries of proposed information collections projects and solicit public comments in compliance with the requirements of Section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995. To request more information on the project or to obtain a copy of the information collection plans and instruments, call the PSC Reports Clearance Officer on (301) 443-2045.

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

1. HHS Payment Management System Forms (PMS-270 and PMS-272)—0937-0200—Extension

The PMS 270, Request for Advance or Reimbursement is used to make advances or reimbursement payments to grantees. It serves in place of the SF-270. *Respondents:* State and local governments; profit and nonprofit

businesses and organizations receiving grants from HHS; *Total Number of Respondents*: 25; *Frequency of Response*: monthly; *Average Burden per Response*: 15 minutes; *Estimated Annual Burden*: 75 hours.

The PMS-272, Federal Cash Transactions Report, is used to monitor Federal cash advances to grantees and obtain Federal cash disbursement data. It serves in place of the SF-272.

Respondents: State and local governments, profit and nonprofit businesses and institutions receiving grants from HHS; *Total Number of Respondents*: 11,050; *Frequency of Response*: Quarterly; *Average Burden per Response*: 4 hours; *Estimated Annual Burden*: 176,800 hours.

Total Burden: 176,875 hours.

Send comments to Douglas F. Mortl, PSC Reports Clearance Officer, Room 17A08, Parklawn Building, 5600 Fishers Lane, Rockville, MD 20857. Written comments should be received within 60 days of this notice.

Dated: August 19, 1996.

Lynnda M. Regan,

Director, Program Support Center.

[FR Doc. 96-21530 Filed 8-22-96; 8:45 am]

BILLING CODE 4160-17-M

Health Resources and Services Administration

RIN 0905-ZA96

Notice Regarding Section 602 of the Veterans Health Care Act of 1992; Contract Pharmacy Services

AGENCY: Health Resources and Services Administration, HHS.

ACTION: Final notice.

SUMMARY: Section 602 of Public Law 102-585, the "Veterans Health Care Act of 1992" (the "Act"), enacted section 340B of the Public Health Service Act ("PHS Act"), "Limitation on Prices of Drugs Purchased by Covered Entities." Section 340B provides that a manufacturer who sells covered outpatient drugs to eligible (covered) entities must sign a pharmaceutical pricing agreement with the Secretary of Health and Human Services (HHS) in which the manufacturer agrees to charge a price for covered outpatient drugs that will not exceed an amount determined under a statutory formula.

The purpose of this notice is to inform interested parties of final guidelines regarding contract pharmacy services.

FOR FURTHER INFORMATION CONTACT: Annette Byrne, R. Ph., M.S., Director, Drug Pricing Program, Bureau of Primary Health Care, Health Resources

and Services Administration, 4350 East West Highway, 10th Floor, Bethesda, MD 20814, Phone (301) 594-4353, FAX (301) 594-4982.

EFFECTIVE DATE: August 23, 1996.

SUPPLEMENTARY INFORMATION:

(A) Background

Proposed guidelines for contract pharmacy services were announced in the Federal Register at 60 FR 55586 on November 1, 1995. A comment period of 30 days was established to allow interested parties to submit comments. The Health Resources and Services Administration, Bureau of Primary Health Care, acting through the Office of Drug Pricing (ODP), received eleven letters including comments concerning the scope of the 340B Program, contractor certification, contractor and entity penalties for drug diversion, creation of an agency relationship between the entity and the contractor, entity responsibilities including price establishment, reimbursement, inventory control, and the like.

Although some manufacturers expressed concerns regarding the potential for drug diversion, the Department has received no evidence of diversion that has required an official Departmental investigation. This includes the various drug distribution systems, among them those using contract pharmacy services. However, in response to manufacturers' concerns, the Department intends to study the use of contracted pharmacy services for accessing 340B drugs to determine if there is evidence of drug diversion. In particular, the Department will examine closely documented complaints, including the results of manufacturers' audits, will use other analyses as deemed appropriate, and will consider whether additional safeguards are necessary.

We received some very positive comments in support of the mechanism. These comments discussed the many covered entities which do not operate their own licensed pharmacies; therefore, the guidelines encourage these entities to participate in the program. Because these covered entities provide medical care for many individuals and families with incomes well below 200% of the Federal poverty level and subsidize prescription drugs for many of their patients, it was essential for them to access 340B pricing. Covered entities could then use savings realized from participation in the program to help subsidize prescriptions for their lower income patients, increase the number of patients whom they can subsidize and expand

services and formularies. One commenter described the guidelines as straightforward, clear and consistent with section 340B. Another commenter stated that the "use of contract pharmacies by covered entities is fundamental to the success of the VHCA [Veterans Health Care Act] drug pricing program." The commenter supported the guidelines and urged the Department to expedite their completion, as the importance of the contract pharmacy option to their members could not be overstated.

The following section presents a summary of all major comments, grouped by subject, and a response to each comment. All comments were considered in developing this final notice, with changes made to increase clarity and readability. In addition, to provide further technical assistance and guidance to covered entities interested in using this mechanism, examples of report contents, a suggested system to ensure an adequate drug tracking system, and a method to ensure patient eligibility are included. Various commenters, and in particular drug manufacturers, suggested the need for detailed systems. The National Association of Community Health Centers suggested some of the specific examples.

(B) Comments and Responses

(1) General

Comment: The use of contract pharmacy services is inconsistent with section 340B of the PHS Act and results in an unauthorized expansion of the program.

Response: Section 340B, which established the Drug Pricing Program, requires manufacturers to sell to covered entities at or below a ceiling price determined by a statutory formula. The statute is silent as to permissible drug distribution systems. There is no requirement for a covered entity to purchase drugs directly from the manufacturer or to dispense drugs itself. It is clear that Congress envisioned that various types of drug delivery systems would be used to meet the needs of the very diversified group of 340B covered entities.

It has been the Department's position that if a covered entity using contract pharmacy services requests to purchase a covered drug from a participating manufacturer, the statute directs the manufacturer to sell the drug at the discounted price. If the entity directs the drug shipment to its contract pharmacy, we see no basis on which to conclude that section 340B precludes this type of transaction or otherwise