

Committee on Energy and Commerce

**Opening Statement
Subcommittee on Oversight and Investigations
Ranking Member Diana DeGette**

“Combating the Opioid Epidemic: Examining Concerns About Distribution and Diversion”

May 8, 2018

Exactly one year ago today, this Committee sent our first letters to three of the drug wholesale distributors before us today. Our letters described the devastation of the opioid crisis, and referenced a report that over six years, distributors “showered the state with 780 million hydrocodone and oxycodone pills, while 1,728 West Virginians fatally overdosed on those two painkillers.”

Over the past year, we have learned more about the full scope of this epidemic in West Virginia. We have obtained data showing that pharmacies in tiny towns received millions of pills in just a few years.

But Mr. Chairman, our work is not finished. I want to know what these companies knew about the rise of the opioid epidemic, when they knew it, and whether it informed their distribution practices.

In fact, over a decade ago, DEA sent letters to all registered distributors, informing them that “the abuse of controlled prescription drugs is a serious and growing health problem in this country.”

In 2007, CDC reported that drug overdose deaths nationwide increased by 276 percent between 1999 and 2004, and that in West Virginia, drug overdose deaths were up by 550 percent.

A well-publicized 2008 JAMA study specifically implicated prescription opioids in the rise in overdose deaths.

In 2010, the New England Journal of Medicine article “A Flood of Opioids, a Rising Tide of Deaths,” showed that the prescription opioids death toll continued to rise, particularly in West Virginia.

In 2011, the Charleston Gazette published a major story describing how residents began calling the town of Williamson [quote], “Pill-iamson,” because so many opioids had flooded that town.

And this is just a small sample of the articles highlighting the rise of this epidemic.

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And yet, even as all of this information was coming out, it appears that over 3 years, distributors sent more than 11 million pills to one pharmacy in a town of 400, and more than 12 million total pills to two pharmacies in a town of 3,000.

I know that we will hear from the distributors that they had systems in place and that they only fill orders by pharmacies that hold valid DEA licenses. At the end of the day, however, whatever systems were in place did not prevent the damage to these communities caused by what appears to be the excessive supply of opioid pills.

Some of the counties that have been the focus of our investigation have the highest death and overdose rates in the nation. The epidemic has devastated families throughout that state and it has placed huge burdens on the State's health care system, its child welfare program, and its economy as a whole.

We need to understand the root causes of how this happened, and why distributors apparently supplied so many opioids to certain small-town pharmacies.

For example, how did the tiny town of Kermit with a population of 400 hundred receive 9 million pills in just 2 years? Should the distributors' suspicious order systems have immediately flagged and halted shipments of this magnitude, and examined them more closely to determine their appropriateness before shipping them?

I also want to understand why major drug companies failed to have adequate suspicious order reporting programs in place and were forced to settle with DOJ and DEA not once, but twice during this epidemic. Do these distributors believe that any of their suspicious order reporting systems failed, and if so, how?

I hope that what we learn today will inform investigations in other states, including Colorado, which has had similar concerns raised concerning over distribution, going forward.

Mr. Chairman, let me conclude by saying that it is critical that we understand what happened and how the nation has found itself in the grip of this ongoing opioid crisis. But at the same time, I also believe we commit to making adequate resources available to help those in need, and get people, such as those in the hard hit places we will be talking about today, the recovery help they need. As we look back at what happened, we cannot turn our backs on those who have been devastated by this crisis.

Thank you.