

ONE HUNDRED FIFTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

May 8, 2017

John H. Hammergren
Chairman, President and Chief Executive Officer
McKesson Corporation
One Post Street
San Francisco, CA 94104

Dear Mr. Hammergren:

Pursuant to Rules X and XI of the U.S. House of Representatives, the Committee is investigating the opioid epidemic in the U.S. that is taking 78 lives per day, according to a recent report of the U.S. Surgeon General. As part of this investigation, the Committee is seeking information to understand your distribution practices for various opioids in West Virginia in light of reports that distributors may have supplied the state with questionably high quantities of drugs. The possible oversupply described in this reporting suggests that such practices may have exacerbated the opioid addiction problem currently facing the state. For example, a December 2016 investigation by the *Charleston Gazette-Mail* reported:

In six years, drug wholesalers showered the state with 780 million hydrocodone and oxycodone pills, while 1,728 West Virginians fatally overdosed on those two painkillers ... The unfettered shipments amount to 433 pain pills for every man, woman and child in West Virginia.¹

In 2015, West Virginia had the highest opioid overdose death rate in the nation.² The opioid crisis in West Virginia has led to numerous deaths and social challenges for its residents. The state and federal government have also incurred costs of important social and addiction treatment services.

The *Gazette-Mail* cited additional examples regarding distribution practices in West Virginia, which if true, cause great concern. For example, in the small community of Kermit,

¹ *Drug Firms Poured 780M Painkillers into WV Amid Rise of Overdoses*, The Charleston Gazette-Mail (Dec. 17, 2016).

² Centers for Disease Control and Prevention, *Increases in Drug and Opioid-Involved Overdose Deaths — United States, 2010–2015* (Dec. 30, 2016) (<https://www.cdc.gov/mmwr/volumes/65/wr/mm655051e1.htm>).

West Virginia, with a population of 392, a single pharmacy received nearly nine million hydrocodone pills over two years. The *Gazette-Mail*'s reporting also cited another example of what they called a "mom-and-pop pharmacy" in the small town of Oceana, West Virginia that received an unusually high level of prescription medicines relative to a nearby pharmacy. In that case, the *Gazette-Mail* reported this single pharmacy "received 600 times as many oxycodone pills" than a Rite Aid drugstore that was "just eight blocks away."³

The *Washington Post* has also reported on the heavy distribution of opioids in the State of West Virginia. For example, the *Post* indicated some officials within the state believe the practices of certain distributors may have violated state laws.⁴ Additionally, the *Post* also quoted W. Kent Carper, the president of the Kanawha County Commission, who stated, "[t]he impact is beyond words." Citing Carper, the *Post* further reported, "distributors sent 66 million doses of oxycodone and hydrocodone into Kanawha County, population 190,000."⁵ CNN similarly reported on drug distribution practices in West Virginia, noting the state "has become ground zero for the opioid epidemic here in the United States."⁶

If these reports are true, it would appear that the state of West Virginia may have received extraordinary amounts of opioids from distributors beyond what that population could safely use. As one of the three major distributors that together supply the overwhelming majority of drugs in the United States, McKesson plays a significant role in the supply chain of our nation's prescription drugs.

All players in the health care community have a responsibility to help prevent opioid abuse and addiction. While no single distributor has insight into the entire supply of drugs into one region, or potentially even one pharmacy, distributors have databases and other analytical tools to help identify and respond to suspicious order trends for addictive opioids that appear problematic or excessive. Distributors also have the ability to hold suspicious orders instead of sending them out immediately. Furthermore, federal regulation requires distributors to report to the Drug Enforcement Administration (DEA) suspicious orders of narcotics, which include "orders of unusual size, orders deviating substantially from a normal pattern, and orders of unusual frequency."⁷ Therefore, to understand your distribution practices and to further evaluate the troubling concerns raised by the above-cited reports, we request that you provide the Committee with the following information, as well as a briefing on these matters, by June 8, 2017:

1. Please provide the number of pills of hydrocodone and oxycodone sold by McKesson to purchasers in West Virginia each year from 2005 through 2016.
2. Please provide the names and addresses of your distribution centers that served West Virginia each year from 2005 through 2016.

³ See note 1.

⁴ *Opioid Distributors Sued by West Virginia Counties Hit by Drug Crisis*, The Washington Post (Mar. 9, 2017).

⁵ *Id.*

⁶ *The Lead with Jake Tapper*, CNN (Dec. 20, 2016).

⁷ 21 C.F.R. § 1301.74(b).

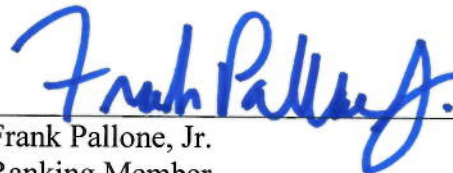
3. Does McKesson have monitoring systems in place to detect unusual or suspicious patterns or quantities of opioid orders? If so, please describe those monitoring systems. Do your distribution centers that serve West Virginia have their own policies and systems for monitoring opioid orders, or do they follow or rely on your company's monitoring system?
4. What policies and procedures does McKesson and/or your distribution centers that serve West Virginia have in place to take action in response to those detections, including notification of DEA and other authorities? Did your company or your distribution centers that serve West Virginia provide investigative leads to law enforcement authorities?
5. Did McKesson and/or your distribution centers that serve West Virginia identify any patterns of opioid distribution in West Virginia that caused you to make a referral to the State Board of Pharmacy, DEA, or other authorities? If so, when did you become aware of those patterns?
6. Please describe what actions were taken after identifying such patterns, including a timeline for these actions.
7. If the reporting in the *Gazette-Mail* on opioid distribution to West Virginia is accurate, is McKesson taking any specific action to examine its sales and monitoring processes in West Virginia and nationwide? If so, what actions have you taken to date and what additional actions are planned?
8. Is there any data that DEA could share with your company, as appropriate given law enforcement and commercial confidential information sensitivities, that would help improve detection of suspicious orders of opioids?

If you have any questions, please contact Alan Slobodin of the Majority staff at (202) 225-2927 or Kevin McAloon of the Minority staff at (202) 225-3641.

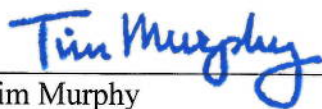
Sincerely,



Greg Walden
Chairman
Committee on Energy and Commerce



Frank Pallone, Jr.
Ranking Member
Committee on Energy and Commerce



Tim Murphy
Chairman
Subcommittee on Oversight
and Investigations



Diana DeGette
Ranking Member
Subcommittee on Oversight
and Investigations



David B. McKinley
Member
Committee on Energy and Commerce