

Cardinal Health’s Commitment to Opioid Anti-Diversion, Education and Misuse Prevention

The people of Cardinal Health care deeply about the devastation opioid abuse has caused American families and communities and are actively demonstrating our commitment to helping solve this complex national public health crisis.

Cardinal Health operates as part of a multi-faceted and highly regulated healthcare system – we do not manufacture, promote or prescribe prescription medications to members of the public – and believes everyone in that chain, including us, must do their part. Our responsibility as a distributor is to provide a safe and secure channel to deliver medications of all kinds, from the hundreds of manufacturers who make them to the thousands of government-authorized pharmacies that fill doctors’ prescriptions for patients, and in that process – within the channels we control – prevent the diversion of pain medications from legitimate and appropriate uses.

Cardinal Health operates a state-of-the-art, constantly adaptive, rigorous system to **combat opioid diversion** and funds **prevention education programming** in communities throughout the country. Our role is to ensure that prescribers, pharmacists and patients have access to the medications they need when and where they need them, while we work with all stakeholders and interested parties to fight prescription drug diversion and abuse.

Cardinal Health Operations Overview

- Last year, Cardinal Health distributed 54 billion saleable units of all types of prescription medications. The overwhelming majority of those prescription medications – 93% – were non-opiate drugs like antibiotics or treatments for cancer, heart disease, diabetes and other chronic conditions.
- The DEA released a report in 2004 in which it said “...chronic pain is a serious problem for many Americans. It is crucial that physicians who are engaged in legitimate pain treatment not be discouraged from providing proper medication to patients as medically justified. DEA recognizes that the overwhelming majority of physicians dispense controlled substances lawfully for legitimate medical reasons, including the treatment of pain.”¹
 - Over the past two decades, the DEA has recommended increased treatment of pain and, year after year, has increased the manufacturing and procurement

¹ DEA interim Policy Statement on Dispensing Controlled Substances for the Treatment of Pain. 69 Fed. Reg. 67170 (2004).

quotas for opioids produced annually to meet medical and research needs.² The DEA does not assign quotas or allowances to wholesalers. Wholesalers supply to pharmacies, hospitals and clinics the controlled substance medications that DEA has permitted manufacturers to produce.³

- The responsibility for determining which doctors should be allowed to prescribe which medications to which patients, and which pharmacies are allowed to fill those prescriptions, is the responsibility of state medical boards, boards of pharmacy and federal regulators.
 - Cardinal Health does not prescribe opioids; healthcare providers do. Cardinal Health only ships medications to pharmacies licensed by their state and registered with the DEA, who meet Cardinal Health's strict anti-diversion standards.
 - Unlike pharmaceutical manufacturers, Cardinal Health does not advertise concerning prescription drugs to patients or healthcare providers who prescribe medications.

Cardinal Health's Commitment to Opioid Abuse Anti-Diversion

- What We Believe
 - Our anti-diversion division is as central to our business as our sales or logistical operations.
 - We refuse to supply controlled substances to any pharmacy customer where we believe there is an unreasonable risk of medication diversion.
- What We Do
 - Cardinal Health maintains a sophisticated, state-of-the-art anti-diversion program that includes advanced analytics, technology and on-the-ground deployment of investigators to evaluate pharmacies, scrutinize customers and orders, and identify, block and report orders of prescription controlled substances medications that do not meet our strict anti-diversion criteria.
 - We work, alongside regulators, professionals, our pharmacy customers and others in the healthcare supply chain (e.g., manufacturers, professional and trade

² DEA Diversion Control Division. Aggregate Production Quota History for Selected Substances. Available online at: https://www.deadiversion.usdoj.gov/quotas/quota_history.pdf

³ DEA Diversion Control Division. Aggregate Production Quota History for Selected Substances. Available online at: https://www.deadiversion.usdoj.gov/quotas/quota_history.pdf

- associations) – to collectively help educate pharmacies in identifying problematic patients and prescribers.⁴
- Cardinal Health evaluates all pharmacy customers based on a range of risk indicators, including volume, location, and ratios of controlled to non-controlled substances, to establish the level of review each undergoes for deliveries, escalating up to committee review and other heightened measures; every pharmacy customer is subject to our anti-diversion process for every order.
 - Utilizing our robust control processes and operationalized anti-diversion team, we have learned to adjust and adapt to diverters and their ever-changing tactics in response to our controls, while remaining committed to our critical role in ensuring patients get the medications they need.
- Our Results
 - Cardinal Health’s anti-diversion team of about 85 individuals examines data across all the Company’s logistics and delivery operations. The team includes investigators, statistical auditors and data analysts, pharmacists, and compliance officers deployed on-site at our pharmaceutical distribution centers, in the field, and at our corporate headquarters. The goal of our anti-diversion team is simple: combat the diversion of prescription drugs from pharmacies for illegitimate use.
 - In 2016, the anti-diversion and pharmacy business consultant teams conducted 20,000 on-site inspections nationwide.
 - Cardinal Health has high standards both for our own operations and for our business partners. To date, more than 1,000 pharmacies did not meet our standards, and we no longer do business with them.

Cardinal Health’s Commitment to Opioid Abuse Education & Community Engagement

⁴ Cardinal Health working with the National Association of Boards of Pharmacy (NABP) and other stakeholders (e.g., pharmacy and physician groups, manufacturers and distributors) released a consensus document entitled Stakeholders’ Challenges and “Red Flag” Warning Signs Related to Prescribing and Dispensing Controlled Substances available at <https://nabp.pharmacy/nabp-stakeholders-release-consensus-document-on-the-challenges-and-red-flag-warning-signs-related-to-prescribing-and-dispensing-controlled-substances/> and <https://nabp.pharmacy/wp-content/uploads/2016/07/Red-Flags-Controlled-Substances-03-2015.pdf>

- What We Believe
 - Opioid abuse is preventable – but it requires informed communication between patients, healthcare providers and pharmacists about proper medication prescribing, dispensing, use and the risks of misuse.
- What We Do
 - In 2017, Cardinal Health launched the *Opioid Action Program*, a four-state pilot initiative to help some of the nation’s hardest-hit communities across Appalachia fight the opioid epidemic. The program delivers much needed front-line tools to help prevent opioid abuse and support first responders in Ohio, Kentucky, Tennessee and West Virginia.
 - As part of the *Opioid Action Program*, Cardinal Health will:
 - Purchase approximately 80,000 doses of the overdose-reversing drug, Narcan® (naloxone HCl) Nasal Spray 4mg, for distribution free-of-charge for first responders and law enforcement officials in Ohio, Kentucky, Tennessee and West Virginia.
 - Significantly ramp up its existing support for successful drug ‘take back’ and education programs. This initiative continues the work done, for several years, through the Cardinal Health Foundation’s partnership with The Ohio State University College of Pharmacy, including take back events to occur in collaboration with local business and law enforcement in 13 communities across Ohio, Kentucky, Tennessee and West Virginia where Cardinal Health has employees.
 - Invest \$3 million to expand grants focused on youth prevention education, prescriber opioid awareness and reduction efforts and community responses to the epidemic in the four Appalachian states.
 - Partner with the Warren Alpert Medical School at Brown University to share medical school curricula that addresses opioid misuse and treatment through a collaboration with medical schools located in Appalachia and throughout the country.
 - *Generation Rx* is a national prescription drug education and awareness program developed by the Cardinal Health Foundation and The Ohio State University College of Pharmacy. It raises awareness among people of all ages – from teens to student pharmacists to community leaders – about the dangers of misusing

prescription medications. For more information, see www.CardinalHealth.com/community or www.GenerationRx.org.

- The annual *Generation Rx* grant program supports non-profit organizations, schools of pharmacy and others. *Generation Rx*'s 2017 grant program focuses on spreading best practices in pain management to reduce opioid prescriptions and encourage patient engagement.⁵
 - Cardinal Health employee ambassadors, students at Colleges of Pharmacy and partner pharmacists use *Generation Rx* materials to present to schools and community groups and at key events.
 - Cardinal Health helped lead the Anti-Diversion Industry Working Group, a consortium of pharmaceutical manufacturers and distributors dedicated to helping combat the opioid epidemic, that worked with pharmacists and government agencies such as state pharmacy boards and the National Association of Boards of Pharmacy (NABP) to further pharmacist awareness of drug diversion and abuse and how to help prevent it.
- Our Results
 - Since 2009, the Cardinal Health Foundation has invested more than \$6 million nationwide in *Generation Rx*.
 - *Generation Rx* educational resources have been used in all 50 states and have reached more than one million people across the country.
 - Through a partnership with the American Pharmacists Association, *Generation Rx* resources are now used in over 134 colleges and schools of pharmacy nationwide, to educate student pharmacists about the risks of opioid abuse and engage them in community education.
 - Pharmacists in 40 states have received the *Generation Rx* Champions Award, which was created in 2010 in partnership with the National Alliance of State Pharmacy Associations to honor pharmacists who demonstrate outstanding commitment to raising awareness of the dangers of prescription drug abuse among the general public and among the pharmacy community.

⁵ Generation Rx 2017 Request for Proposal: Best Practices in Pain Medication Use and Patient Engagement. Available here: <http://www.cardinalhealth.com/content/dam/corp/web/documents/brochure/CARDINAL-HEALTH.Generation-Rx-Medication-Disposal-Grant-Program-RFP.pdf>.

- Through the Anti-Diversion Industry Working Group, Cardinal Health helped produce Red Flags, an educational video in conjunction with the National Association of Boards of Pharmacy. The video, used to help educate pharmacists on prescription drug diversion and abuse, can be found on many state Board of Pharmacy websites including West Virginia's.⁶
- Since 2012, Cardinal Health has participated in drug takeback days across the country, resulting in hundreds of thousands of pounds of prescription drugs being removed from communities.

⁶ Red Flags Video can be found on the West Virginia Board of Pharmacy website at http://www.wvbop.com/index.php?option=com_content&view=article&id=118%3Ared-flags&catid=1%3Alatest-news&Itemid=122 and on the NABP's website at <https://nabp.pharmacy/initiatives/awareness/pharmacist-resources/>