May 22, 2018

The Honorable Maggie Hassan  
United States Senate  
330 Senate Hart Building  
Washington, DC 20510

Dear Senator Hassan:

I am writing to you on behalf of the Healthcare Distribution Alliance (HDA) and its 38 member companies to offer HDA’s support for S. 2837, the “Preventing Drug Diversion Act of 2018.” Improved sharing of data is increasingly identified as a key tool in preventing prescription drug abuse. We believe S. 2837 will facilitate data sharing between the Drug Enforcement Administration (DEA) and state regulatory agencies, as well as provide further clarity to distributor registrants on their obligations to report suspicious orders.

HDA’s primary mission is to support the operation of the safest, most secure and efficient supply chain in the world. In this effort, pharmaceutical distributors work closely with supply chain partners and numerous regulatory agencies, most notably with the DEA, the Food and Drug Administration (FDA), as well as regulatory authorities in every state. While distributors do not manufacture, prescribe, dispense or drive demand for medicines, HDA and its members recognize our role and responsibility to advance meaningful initiatives to address the serious, complex issues raised by the opioid abuse crisis.

As logistics experts, distributors have invested heavily in information technology systems to help better identify suspicious orders based on their own individual customer experience and ordering patterns. They also employ team members to track and monitor pharmacy orders and continue to support efforts to improve coordination and communication between the industry and the DEA, as well as other state and federal authorities. However, more must be done to enhance and improve data sharing and the pharmaceutical supply chain’s collective response to the addiction and abuse of opioids. We believe that S. 2837 will address some of these information and communication gaps.

HDA supports language in S. 2837 to promulgate regulations to further define “suspicious orders,” guidance the industry has sought consistently from the agency for several years. The bill will also require the DEA to establish a centralized database for suspicious order reports and to share those reports with state and local regulators which will help federal and state officials identify trends that indicate that a pharmacy or other dispenser should no longer be permitted to handle controlled substances. Additionally, providing state regulators with this suspicious order
data will help prevent inconsistencies in state rules for suspicious order reporting that conflict with the DEA's requirements and guidance.

As pharmaceutical distributors responsible for delivering medicines to licensed pharmacies and healthcare providers across the nation, HDA and its members recognize our role and responsibility in advancing meaningful initiatives to address the serious issues raised by this complex national crisis. We look forward to working with you and your staff on this important legislation.

Sincerely,

[Signature]

John M. Gray
President and Chief Executive Officer