

Pharmaceutical & Life Sciences News

Drugmakers Poised to Profit Off of Opioid Settlement Strategy

By Valerie Bauman

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- Drugmakers' settlement proposal includes medication to treat addiction
 - Pharma companies poised to profit from long-term users
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Allix Fontana has been on Suboxone—a medication for opioid-use disorder—for five years, due to an addiction that started with opioids prescribed for injuries from competitive cheerleading.

Thousands more people could also get the medication as part of settlements opioid manufacturers reached with states and counties. While the drug freed Fontana from abusing prescription pills, Suboxone can also cause dependence, and the 33-year-old California resident lives in fear of withdrawal from the treatment.

"It's been a nightmare," she told Bloomberg Law. "I wish someone told me that I would be on this for the rest of my life."

While the drugmakers have pledged to provide millions or even billions of dollars' worth of Suboxone or its generic equivalent buprenorphine-naloxone as part of the settlements, some in the medical community say chemical dependence on the treatment could last years or even a lifetime for some patients. That would let drugmakers profit from an addiction crisis they created.

Suboxone and its generic equivalent, buprenorphine-naloxone, are life-saving drugs that have helped many people escape a cycle of getting high off of prescription opioids and heroin.

While pharmaceutical companies have pledged to donate possibly billions in Suboxone as part of the settlements, addiction specialists worry about what happens when the free supplies run out. While those escaping opioid addictions are often advised to stay on Suboxone, which treats the cravings for opioids without providing the same high, for up to two years, some patients need even longer to recover.

When the free medication runs out, people will need to start paying for the drugs. Suboxone retails at \$166 for a 30-day supply, while the average retail price for the generic is \$96, though patients with good insurance could pay much less for either version.

"You hook 'em on the oxys, you're going to have a methadone or Suboxone patient for the rest of their life," said Hunter Shkolnik, an attorney on the executive committee for the multidistrict federal opioid litigation who is also representing municipalities in state litigation in West Virginia.

Teva, one manufacturer of buprenorphine-naloxone, didn't respond to requests for comment.

However, many addiction specialists say the fact that drugmakers may eventually profit from buprenorphine shouldn't undermine its use in treatment.

"Somebody is going to profit, that's unavoidable," said Chad Sabora, executive director of the MoNetwork, a St. Louis-based organization that provides resources for treating substance abuse disorder.

"We need more access," he added. "There's so much stigma for the use of buprenorphine [but] it reduces mortality rates in the first year of recovery by 70%."

Finite Supply

Despite the proposed millions or billions of dollars' worth of buprenorphine, some drug companies have been criticized for inflating the projected value of what they're promising.

Instead of pledging a dollar amount that reflects the cost to the company of supplying the medication, some drugmakers have based those estimates on the market value of the drug—significantly skewing how much will be provided to people in need.

For example, Teva disclosed in its Q3 2019 earnings report that the settlement that it reached with Cuyahoga and Summit Counties in Ohio for \$25 million worth of buprenorphine was based on the wholesale acquisition price. Similarly, the same document revealed that a tentative deal to provide \$23 billion worth of generic Suboxone nationwide over a 10-year period was also based on the drug's wholesale acquisition price.

Almost no individual actually pays the wholesale acquisition price, an estimate of the manufacturer's price to sell the drugs to pharmacies, signaling that Teva was inflating the perception of how much of the medication it would commit as part of any settlement.

"This is crazy—they're overpricing the \$23 billion deal by 25%," Shkolnik said.

"We're not saying they take a loss. We're saying do it at your cost, including shipping and distribution," added Shkolnik, a founding partner of the Napoli Shkolnik firm in New York.

"There could be situations where people have to decide whether to put food on the table or buy their medicine to get through the day," said Dona Dmitrovic, executive director for the Foundation for Recovery.

What is Buprenorphine?

Suboxone doesn't provide the same high that users would get from opioids or heroin, and it helps calm the cravings. But Suboxone can have an even longer withdrawal period.

"It's life-saving," said Mark Leeds, a Florida-based physician who specializes in addiction treatment. "You have people who are overdosing and dying on the streets from fentanyl, and Suboxone can help them. The other side of it is when they come off of it you have that prolonged withdrawal."

It's recommended that buprenorphine be used in conjunction with counseling, behavioral therapies, and other support—including job training and placement and supportive housing—to ensure that it achieves the desired effect: eliminating cravings for opioids while preventing harsh withdrawal symptoms that come from quitting after long periods of use. And many addiction specialists believe it's critical any settlements include sufficient funding for those measures beyond the free medication.

"We understood that addiction is about more than treating it with the medication," Dmitrovic said. "People may need support services, they may need counseling, they may need help with getting a job."

Obstacles to Access

Even if drugmakers provide large quantities of Suboxone, there is still a bottleneck for patients who need it.

Not just any doctor can prescribe buprenorphine. Physicians must take special training and meet certification requirements to obtain a special waiver and number from the Drug Enforcement Administration before they can provide the medication to a patient.

"Based on the data, only two in 10 people who want medication assisted treatment have access to it," said Patrice Harris, president of the American Medical Association.

Even then, doctors are limited to only prescribing it to 30 patients at a time, though some physicians with higher levels of training in the areas of addiction and psychology can later get approval for up to 100 patients, Harris said.

In addition, many addiction specialists say Suboxone is most effective when provided with a variety of supportive services, including counseling, help with housing, and job training and placement.

"There are people who believe and might tell you that an answer to an epidemic caused by an overprescribing of opioids is not more opioids. Unfortunately they are wrong," Andrew Kolodny, a senior scientist at the Institute for Behavioral Health at Brandeis University said. "For people who have become dependent on opioids, there are some who can come off, but there are many who will need to be maintained on opioids."

For patients like Fontana, the relationship with buprenorphine is complicated and the path forward isn't always clear.

She's working with her doctor to very slowly taper off her dose, but she's not entirely confident in the process, which she expects to take a year or more.

"Looking back, I would have rather tried to find someone who would have walked me down on the painkillers I was on," Fontana said.

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