



Pharmacy Distribution Channels for Narcotics and Other Controlled Substances

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Introduction:

As policymakers seek to address the epidemic of prescription drug abuse and related pharmacy fraud and drug diversion, it is relevant to consider where prescription drugs subject to abuse—particularly Schedule II controlled substances—are typically dispensed. To determine this, Visante analyzed prescription data covering the majority of medication dispensed in the United States annually.

Findings:

- In 2011, retail drug stores¹ dispensed more than 125 million prescriptions for medications such as opioid narcotics, barbiturates, and amphetamines that are classified by the Drug Enforcement Administration (DEA) as Schedule II drugs, which have a high potential for abuse.
- Retail drug stores dispense more than 100 times more prescriptions with a high potential for abuse than do mail-service pharmacies.
- Just 0.4% of prescriptions dispensed by mail-service pharmacies are Schedule II drugs.
- Mail-service pharmacies that ship Schedule II controlled substances require a signature upon receipt to ensure that the medications have been received and to minimize the potential for diversion.
- The retail drug store channel dispensed more than 500 million prescriptions for all types of controlled substances in 2011 (Schedule II–V), which amounts to 14% of all retail prescriptions.
- Approximately 3.4% of prescriptions dispensed by mail-service pharmacies are controlled substances (Schedule II–V).

¹ Retail drug stores are defined by Visante to include chain pharmacies, independent pharmacies, supermarket pharmacies, and mass merchants.

Discussion:

Prescription medications that have a potential for abuse or addiction are classified by the Drug Enforcement Administration as controlled substances. Controlled substances are categorized into five “schedules” based on their potential for abuse. Those with the highest potential for abuse are illegal street drugs (Schedule I) and prescription drugs such as opioid narcotics, barbiturates, and amphetamines (Schedule II).

Prescriptions for controlled substances are subject to both federal and state regulations. These regulations define how such a prescription can be written, how it can be communicated to a pharmacist, and how many times it can be refilled. Prescriptions for Schedule II drugs cannot be refilled. Both retail drug stores and mail-service pharmacies are subject to these regulations.

The overwhelming majority of controlled substances are dispensed through the retail drug store channel, which includes chain pharmacies, independent pharmacies, supermarket pharmacies, and mass merchants. The retail drug store channel dispensed more than 500 million prescriptions for controlled substances in 2011, which amounts to 14% of all retail prescriptions. Of these, more than 125 million were for Schedule II controlled substances, or about 3.5% of all retail prescriptions.

Approximately 3.4% of prescriptions dispensed by mail-service pharmacies are controlled substances (Schedule II–V). Schedule II drugs account for just 0.4% of mail-service prescriptions. Because mail-service pharmacies dispense just 7% of all outpatient prescriptions nationally, this means that retail drug stores dispense more than 100 times more prescriptions with a high potential for abuse than do mail-service pharmacies. Mail-service pharmacies that do ship Schedule II controlled substances require a signature upon receipt to ensure that the medications have been received and to minimize the potential for diversion.²

It is important to note that these estimates do not capture the activities of illegal online or Internet drug sellers. Unlike retail drug stores and mail-service pharmacies, such rogue online drug sellers operate without legitimate pharmacy licenses, often outside the United States. Such drug sellers typically target U.S. consumers with spam e-mails offers to provide drugs without a prescription, in clear violation of U.S. laws and regulations.

² Medco Health, “[About Your Prescription Plan: Controlled Substances](#),” accessed March 2012.