Overview
Effective October 6, 2014, the DEA will move all Hydrocodone Combination Products (HCPs) into Schedule C-II.

- As of October 6, 2014 any person who handles HCPs will be required to do so in compliance with all associated rules and regulations for Schedule C-II drugs—*with a few minor exceptions*

- Not later than October 6th, wholesalers will be required to distribute HCPs ONLY in Schedule C-II labeled packages.

- After October 6, 2014, pharmacies may continue to dispense HCPs from inventory on hand in the old Schedule C-III packaging.

- Any remaining refills on prescriptions for HCPs filled before October 6, 2014 may be dispensed prior to April 8, 2015.

- Beginning October 6, 2014 a DEA Form 222 or CSOS 222 will be required to order HCPs.

- Any HCPs purchased in Schedule C-III packaging and returned on or after October 6, 2014 will require a DEA Form 222.

- Pharmacies will need to secure HCPs in a similar fashion as all other Schedule C-II drugs.

- It is likely there may be inventory shortages or problems exceeding thresholds from shifts in prescribing patterns and drug utilization as well as the packaging change to C-II.

Background
Hydrocodone by itself has been a Schedule C-II drug since the Controlled Substances Act (CSA) was passed in 1970. The first and only single-entity hydrocodone product is Zohydro™ ER launched March 3, 2014. Hydrocodone combination products in specified amounts and combinations have been scheduled as C-III drugs. Since 2007, HCPs have been the most frequently prescribed opioid in the United States. The IMS Institute reports that in 2013 there were 129.2 million HCP prescription filled in the United States.1 In 2012 one HCP prescription was written for every 2.3 men, women and children in the United States.2 The second most prescribed pain-treating opioid is the oxycodone/acetaminophen combination at 35.9 million prescriptions in 2013, or only 28% the HCP total.

There have been slight declines in the number of HCP prescriptions in 2011 through 2013. The decline was the most pronounced in 2013, a 5% decrease from 2012. IMS attributes these decreases to the withdrawal of high dose acetaminophen products. The abuse, diversion and illicit use of prescription opioids are well documented. Yet the challenge is that opioids are the most effective drugs to treat severe pain available today.

Ramifications of the Change—Concerns - What happens on October 6, 2014?

*C-III vs C-II Package Labeling. By October 6th, wholesalers will be required to distribute only HCPs labeled as Schedule C-II drugs. Wholesalers must flush out their entire HCP inventory of Schedule C-III labeling and build adequate inventory levels of stock with Schedule C-II package labeling. The DEA believes that wholesalers will swop their C-III excess inventories with manufacturers for the new C-II packaging.*

*Pharmacies may continue to dispense from Schedule C-III packages. After October 6, 2014, pharmacies may continue to dispense HCPs from inventory on hand in the Schedule C-III packaging, but keep in mind prescriptions filled after this date must comply with the rules and regulations associated with Schedule C-II drugs.*

*What about HCP Prescriptions with refills remaining? If a prescription for a HCP is issued before 10/6/14 and authorizes refills, the refills may be dispensed as long as they occur prior to 4/8/15. All prescriptions written on or after 10/6/14 are Schedule C-II and must comply in all respects including no refills. This area of the Final Rule raises unanswered questions. The Rule states “Any prescriptions for HCPs that are issued before 10/6/14, and authorized for refilling, may be dispensed.” The key here is whether the DEA meant dispensed or simply written and dated prior to 10/6/14?

- Does this mean an original date of fill for a HCP prescription, pre-October 6th dated, that has refills can occur after October 6th and the refills are valid?

- Does this mean that a patient could hang onto a HCP prescription with refills dated prior to October 6, 2014 and wait to get it filled it later and still be eligible to obtain the refills?
• Should a HCP prescription written with refills prior to 10/6/14, but is filled after 10/6/14 be filled as Schedule C-III or Schedule C-II?

• Will physicians backdate prescriptions they write to circumvent the “no-refill” rule for C-IIs?

• Will transfers of prescription copies from one pharmacy to another of HCPs be valid after 10/6/14, with refills remaining?

These are unanswered questions that emanate from the Final Rule. Until the DEA provides further guidance, the most conservative and safest approach is to only honor refills on HCP prescriptions with original fill dates in your pharmacy prior to October 6, 2014.

*NDC Questions.* A major question and area of concern will be whether manufacturers replace the C-III HCP package NDC numbers with new ones as C-IIs. If new NDCs are issued there could be some confusion in billing the old NDC versus the new one which will create audit situations and charge-backs. The C-II NDCs could show up as refills (because wholesalers can only distribute HCPs with C-II labeling)—and could be disallowed because the NDC submitted is a Schedule C-II drug, which cannot be refilled.

*Should Pharmacies change security measures with HCPs?* Yes, the security of HCPs in the pharmacy will need to be similar to any other Schedule C-II drug stocked and must meet any state and federal requirements. While the DEA or CSA does not require retail pharmacies to place Schedule C-II drugs in vaults or safes, many pharmacies do. When the DEA enacted the rule that allows Schedule C-II inventory to be dispensed throughout the pharmacy—the main security risk and concern was after hours break-ins. The rationale was that Schedule C-IIs dispersed would be tougher for a burglar to find. But the rampant increase over the last few years of armed robberies during store hours has caused many pharmacies to revert back to safes or vaults.

*Ordering.* A DEA Form 222 or a CSOS 222 is required with pharmacy orders invoiced or delivered on or after October 6, 2014. It is unclear what will happen if a wholesaler runs out of the old C-III packaging prior to 10/6/14 and only have the new C-II packaging in stock. My assumption is that the wholesaler would require a DEA Form 222 from a pharmacy to order the C-II labeled product. So the C-II process may actually commence prior to 10/6/14.

*Inventory Shortages.* There could possibly be inventory shortages of either the C-III labeling prior to 10/6/14 or the C-II labeling after 10/6/14. While the DEA expects a completely smooth transition and no interruptions in the supply chain, minor hiccups between manufacturers and wholesalers may disrupt the supply chain.

*Returns of C-III labeled HCPs after 10/6/14.* Any HCPs purchased in Schedule C-III packaging and returned on or after 10/6/14 will require a DEA Form 222.

*Wholesaler Security.* This change also means that wholesalers are required to stock the new Schedule C-II inventories in their vaults rather than in less restrictive controlled substance cages in their distribution centers. For the time being we will assume that wholesalers have adequate space in their vaults to house HCPs.

*Manufacturer Quotas.* Manufacturers are required to obtain quotas for the amounts of a Schedule C-II drug they can manufacture. As of 10/6/14 manufacturers will be required to obtain quotas to continue manufacturing HCPs, with the following exception:

A manufacturer who is authorized to package both Schedule C-III and Schedule C-II drugs may re-label packages labeled C-III without obtaining procurement quotas if:

1. The re-labeling occurs prior to December 8, 2014.

2. If the manufacturer is re-labeling HCPs returned to the manufacturer and the manufacturer returns the same quantity and strength of HCPs with the new C-II labeling.

3. An invoice or DEA Form 222 (as applicable) documents that the return and redistribution occurred as a result of the Final Rule.