

Mallinckrodt donates Rx disposal pouches to 800 Walgreens

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By Chain Drug Review October 20, 2016

CHESTERFIELD, United Kingdom — Mallinckrodt Pharmaceuticals plans to provide 160,000 drug deactivation pouches at nearly 800 Walgreen pharmacies in seven states to help customers safely dispose of leftover prescription pain medications.

Mallinckrodt said Thursday that it will offer the free pouches at Walgreen locations in Indiana, Kentucky, Ohio, Pennsylvania, South Carolina, Tennessee and West Virginia. According to the company, 7.2 million prescription pills could be destroyed if each of the 160,000 pouches is used to capacity.

mallinckrodt-drug-deactivation-pouchThe pouches are designed to deactivate prescription drugs and render their chemical compounds safe for landfills. After users put the medications in the specially formulated pouch and add water, they seal it and then throw it away with the household trash. The pouches are fully biodegradable providing an environmentally responsible way to deactivate and dispose of drugs.

“We share the concerns of parents across the nation, and believe that providing patients with a safe, environmentally responsible way to dispose of unused medications is critical in this fight against prescription drug abuse,” stated Mark Trudeau, Mallinckrodt’s president and chief executive officer. “Mallinckrodt is committed to working with policy makers, community leaders, law enforcement and industry partners to ensure the responsible use of pain medication and prevent unused medications from ending up in the wrong hands.”

In mid-June, Mallinckrodt announced that it would buy and donate more than 1 million drug deactivation pouches — the Detera system made by Minneapolis-based Verde Technologies — to help prevent abuse of prescription painkillers. The distribution to the Walgreen stores is part of that effort.

Mallinckrodt said a national survey of U.S. adults who used opioids showed that nearly six out of 10 had or expect to have leftover opioids, according to the JAMA Internal Medicine journal. Nearly 68% of those who used prescription painkillers non-medically in 2012-2013 got them from friends or relatives, according to the 2013 Substance Abuse and Mental Health Services Administration National Survey on Drug Use and Health.

Banks No Longer Make the Bulk of U.S. Mortgages

Taking their place are nonbank lenders more willing to make riskier loans banks now shun

Six of the top 10 mortgage lenders by origination volume were nonbanks as of September, up from four for all of 2015 and two in 2011. Above, an open house sign for a home near Boerne, Texas. ENLARGE

Six of the top 10 mortgage lenders by origination volume were nonbanks as of September, up from four for all of 2015 and two in 2011. Above, an open house sign for a home near Boerne, Texas. PHOTO: MATTHEW BUSCH/BLOOMBERG NEWS

By ANNAMARIA ANDRIOTIS

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Banks no longer reign over the mortgage market.

They accounted for less than half of the mortgage dollars extended to borrowers during the third quarter—the first quarter banks, credit unions and other depository institutions have fallen below that threshold in more than 30 years, according to Inside Mortgage Finance. Taking their place are nonbank lenders more willing to make riskier loans banks now shun.

The shift reflects banks' aversion to risk, especially in the mortgage market, in the wake of the housing meltdown and financial crisis. Banks also remain fearful of legal and regulatory threats that have cost them tens of billions of dollars in mortgage-related fines and settlements in recent years.

The change, though, gives rise to potential new dangers in the mortgage market. Chief among them is whether nonbanks have enough funds to weather a significant economic downturn in which missed payments on mortgages spike. Many of the loans these lenders are originating are effectively guaranteed by the U.S. government, meaning that in the worst-case scenario taxpayers could be on the hook.

Six of the top 10 mortgage lenders by origination volume were nonbanks as of September, up from four for all of 2015 and two in 2011. The three largest U.S. retail banks, J.P. Morgan Chase & Co., Bank of America Corp. and Wells Fargo & Co., accounted for about 50% of mortgage dollars extended in 2011—a share that dropped to nearly 21% year to date through September, according to Inside Mortgage Finance.

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Most large banks also are retreating from making mortgages insured by the Federal Housing Administration, a substantial piece of the mortgage market. This follows a series of costly lawsuits brought by the federal government surrounding these loans in the last few years.

“It’s becoming the perfect storm—when you punish banks, [they] don’t lend out money,” said Paul Miller, an analyst at FBR Capital Markets. “Banks are becoming utilities that are unable or unwilling to play with risk.”

Among the top 50 mortgage lenders, nonbanks extended 51.4% of loan dollars in the third quarter, up from 46% for all of last year, 19% in 2012 and 9% in 2009, according to Inside Mortgage Finance.

The two biggest nonbank mortgage lenders are Quicken Loans Inc. and PennyMac Financial Services Inc.

Many nonbanks are courting borrowers who can’t get approved by banks, which have favored customers with pristine credit.

“We’re not just looking for share gains anywhere we can get them,” said D. Steve Boland, managing director of consumer lending at Bank of America. Rather, he added, the bank is focused on “sustainable growth.”

As nonbanks get bigger, some analysts are concerned about their ability to weather tougher economic times. Unlike banks, nonbanks don’t take in deposits and rely largely on financing—mostly from banks—to keep loan volume going.

Most of their growth has occurred during a time of near record low delinquency rates. Should missed payments start to rise at some point, nonbanks’ financing sources would be at risk of shrinking.

“Because they’re not banks, they’re not as profitable and they have less liquidity—if defaults start to go up, they will literally run out of balance sheets,” said Chris Whalen, senior managing director at Kroll Bond Rating Agency Inc.

Some nonbank lenders say concerns about liquidity are overblown. “We are not taking on credit risk—the loss is borne by [government] agencies,” said Bob Walters, chief economist at Quicken Loans. “As long as there is a government guarantee, that is a powerful leveling factor that keeps the flow of funds going.”

Lending at Freedom Mortgage Corp., the third largest nonbank lender, increased by 36% to \$39.3 billion during the first nine months of the year compared with the same period a year prior. Stanley

Middleman, chief executive and founder, expressed optimism about the performance of the company's loans over the long run, citing the likelihood that unemployment will remain low and property values will continue to rise.

But he acknowledged that outlook could radically change if the economy slipped into recession. "Our ability to borrow could become impaired," he said in a recent interview at the company's headquarters in Mount Laurel, N.J.

The emergence of nonbanks also underscores a new mortgage lending strategy for banks. While their share of the market has fallen in terms of mortgages they are originating for borrowers directly, many are still providing the funding for nonbank lenders. Should nonbanks incur losses in a rising default environment, those losses could ripple over to their bank lenders.

Meanwhile, the largest banks have been aggressively courting affluent borrowers, in particular for jumbo mortgages they mostly hold on their books. The loans, which exceed \$417,000 in most parts of the country, have become more appealing because of their low chances of default. Banks also believe the loans are less susceptible to legal risk.

While their share of overall mortgage originations is down, big banks' jumbo lending is on the rise. J.P. Morgan, Wells Fargo and Bank of America accounted for 42% of jumbo dollars extended in the year's first half, compared with 34% in all of 2013, according to Inside Mortgage Finance.

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Safer to Puff, E-Cigarettes Can't Shake Their Reputation as a Menace

By SABRINA TAVERNISENOV. 1, 2016

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Jesse McPherson, left, and Ryan Hopkins at Sababa Vapes, a store in Philadelphia. Mounting evidence suggests vaping is far less dangerous than smoking. Credit Mark Makela for The New York Times

WASHINGTON — A decade after electronic cigarettes were introduced in the United States, use has flattened, sales have slowed and, this fall, NJoy, once one of the country's biggest e-cigarette manufacturers, filed for bankruptcy.

It is quite a reversal for an invention once billed as the biggest chance to end smoking as we know it and take aim at the country's largest cause of preventable death. Use of the devices is slumping because they are not as good as cigarettes at giving a hit of nicotine. Dealing another strike against them, the country's top public health authorities have sent an unwavering message: Vaping is dangerous.

The warning is meant to stop people who have never smoked — particularly children — from starting to vape. But a growing number of scientists and policy makers say the relentless portrayal of e-cigarettes as a public health menace, however well intentioned, is a profound disservice to the 40 million American smokers who could benefit from the devices. Smoking kills more than 480,000 Americans a year.

“We may well have missed, or are missing, the greatest opportunity in a century,” said David B. Abrams, senior scientist at the Truth Initiative, an antismoking group. “The unintended consequence is more lives are going to be lost.”

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American public health experts, led by the Centers for Disease Control and Prevention, have long been suspicious of e-cigarettes. The possible risks of vaping are vast, officials warn, including the potential to open a dangerous new door to addiction for youth. Scientists will not know the full effect for years, so for now, they caution, be wary.

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But mounting evidence suggests vaping is far less dangerous than smoking, a fact that is rarely pointed out to the American public. Britain, a country with about the same share of smokers, has come to the opposite conclusion from the United States. This year, a prestigious doctors' organization told the public that e-cigarettes were 95 percent less harmful than cigarettes. British health officials are encouraging smokers to switch.

The American approach "is the same as asking, 'What are the relative risks of jumping out a fourth story window versus taking the stairs?'" said David Sweanor, a lawyer with the Center for Health Law, Policy and Ethics at the University of Ottawa. "These guys are saying: 'Look, these stairs, people could slip, they could get mugged. We just don't know yet.'"

E-cigarettes are much less harmful because they do not have the deadly tar found in regular cigarettes. They instead provide the nicotine fix smokers crave through a liquid that is heated into vapor and inhaled. There is no long-term data yet, but evidence does not show the vapor to be particularly harmful in the short term.

That e-cigarettes are less harmful is a message American smokers rarely hear, partly because American regulation prevents it. Companies are banned from making such claims unless they go through a long

process to prove it, and so far, no e-cigarette maker has done so. More states are also passing laws that lump e-cigarettes in with traditional cigarettes, levying taxes on them and banning their use as part of local smoke-free rules.

“When they are regulated just like tobacco, people draw the conclusion that they are just as dangerous,” said Daniel I. Wikler, an ethicist at the Harvard School of Public Health. “You didn’t say it, but you didn’t have to. People make that assumption and you don’t try to disabuse them of it.”

Last week, Georgia State University published a report finding that the percentage of Americans who thought e-cigarettes were as bad as cigarettes or worse than them had tripled, to 40 percent in 2015 from 13 percent in 2012.

Photo

A vape and a safety notice at Sababa Vapes in Philadelphia. The United States’ top public health authorities have often discouraged vaping. Credit Mark Makela for The New York Times

If smokers have tried everything else, and use an e-cigarette to quit completely, “that’s a good thing,” said Dr. Thomas R. Frieden, the director of the C.D.C. He has heard anecdotes about that happening, he added.

“But the plural of anecdote is not data,” he said. “And counterbalancing that good trend, there are at least three negative things that might be happening,” like people who have never smoked using them, children picking them up as a path to smoking, or smokers using them to perpetuate their habit.

But smoking has been declining. The 2015 adult smoking rate dropped by more than 10 percent from the previous year, the biggest decline since the government began tracking the measure in 1965, said Kenneth E. Warner, a professor of public health at the University of Michigan, citing the government’s National Health Interview Survey. Past dips have always been linked to some event, he said, like a tax. But there was no single event to explain this one, and some suspect e-cigarettes may have played a role.

Terry F. Pechacek, a professor of public health at Georgia State University, estimated that in 2015, more than four million Americans reported that e-cigarettes had helped them quit smoking over the past five years, up from about 2.4 million in 2014.

Youth cigarette smoking has gone down, too — by about half since 2007, around the time e-cigarettes started to be sold in the United States. In fact, youth smoking had its biggest-ever drop in 2015, Professor Warner said, citing Monitoring the Future, a federally funded survey. The rate is now 7 percent, a historical low. (Dr. Frieden noted that hookah use had been rising, as had the share of young people using e-cigarettes.)

Science is filling in the blanks, said Dr. Thomas Glynn, a consulting professor at Stanford University and the former director of cancer science and trends at the American Cancer Society. “We’ve been wringing our hands for years, saying we don’t have enough research, but we’re getting to the point where we can’t say that anymore,” he said.

Photo

By some estimates, more than four million Americans reported last year that e-cigarettes had helped them quit smoking over the past five years. Credit Mark Makela for The New York Times

British policy makers say that they were also skeptical of the devices at first, but that they have become more convinced of their benefit as data has accumulated. Rates of successful quitting are up. The smoking rate is down. Surveys by Action on Smoking and Health, a British antismoking group, have found that half of Britain’s 2.8 million e-cigarette users no longer smoke real cigarettes. Among people who are trying to quit smoking, e-cigarette users are 60 percent more likely to succeed than those who use over-the-counter nicotine therapies like gum and patches, a British study found.

Americans tend to value abstinence above all else, an all-or-nothing approach that British advocates see as rooted in the United States’ Puritan culture, said Deborah Arnott, the chief executive of Action on Smoking and Health.

“It’s a bit fundamentalist in the U.S.,” Ms. Arnott said, adding that the intense focus on children missed the potential utility of e-cigarettes for current smokers, often some of the poorest and least educated members of society. “What about the smokers? What about the people who are dying now as a result of this habit?”

Dr. Glynn said the American approach was well meaning, and had in the past achieved spectacular success. But it comes with a deep suspicion of the tobacco industry that goes back decades, he added.

“We know there’s a big, bad tobacco industry, and that’s the enemy,” he said. “But e-cigarettes do not fit that narrative. We are fighting a 2016 insurgency with nuclear weapons from the 1980s.”

Some researchers think they cannot speak openly, and in many organizations, “advocacy is leading the charge, as opposed to science,” Dr. Glynn said. “Public health is suffering as a result.”

Professor Wikler said, “You want to be married to the science, but in this case, I think there’s been a kind of unmooring, and that’s a somewhat dangerous game.”