



United States Department of Justice
Drug Enforcement Administration
Office of Diversion Control
Washington D.C 20537

DEA EMERGENCY ADDITIONAL RENEWAL FEES 2017

- On March 24, 2017, the Drug Enforcement Administration (DEA) implemented an adjustment/additional fees to DEA registrants.
- The fees collected by the DEA are used to fund the activities associated with DEA's Diversion Control Program which is on an increase this year and DEA is statutorily mandated to recover the full cost of this program through the fees it collects from DEA registrants.
- DEA registrants include entities such as controlled substance and listed chemical manufacturers, Importers, exporters, distributors, and pharmacies, hospitals, physicians, nurse practitioners, and Physician assistants.

The Diversion Control Program

- The citizens and residents of the United States bear an enormous cost from the abuse of Controlled substance pharmaceuticals. According to research published in The Clinical Journal Of Pain, the economic costs associated with the nonmedical use of prescription opioids increased From \$8.6 billion in 2001 to \$53.4 billion in 2006, which includes costs to the health care and Criminal justice systems as well as costs to the workplace from lost productivity.

- The Diversion Control Program's (DCP's) enforcement activities are designed to reduce the supply of dangerous controlled substance pharmaceuticals and listed chemicals available for abuse by maintaining the integrity of the closed system of distribution for controlled substances.

- The consequences of prescription drug abuse are seen in the data collected by the Substance Abuse and Mental Health Services Administration (SAMHSA) on emergency room visits. According to the latest data, SAMHSA estimates that of the 4.9 million emergency department visits in 2016 associated with drug use, about 1.2 million visits involved the non-medical use of pharmaceuticals. Emergency department visits involving non-medical use of pharmaceuticals (misuse or abuse) almost doubled between 2015 and 2016, representing a 92.4 percent increase. About half of the 2016 emergency department visits related to abuse or misuse of pharmaceuticals involved painkillers and more than one-third involved drugs to treat insomnia and anxiety.

- The DC addresses the supply side of these issues by carrying out the mandates of the Controlled Substances Act and its regulations to prevent, detect, and eliminate the diversion of controlled substances and listed chemicals into the illicit market while ensuring a sufficient supply of controlled substances and listed chemicals for legitimate medical, scientific, research, and industrial purposes.

- The DCP is responsible for registering and regulating more than 1.4 million registrants who handle, dispense or prescribe controlled substances or listed chemicals. The program also maintains information technology infrastructures used by registrants to submit new or renewal applications, order controlled substance pharmaceuticals, and submit required reports to DEA in electronic format. The DCP employs more than 1,400 personnel who, in addition to registration activities, conduct administrative, civil and criminal investigations that expose and obstruct unlawful diversion activities. The DCP is also responsible for managing and issuing quotas, and conducting rulemaking and scheduling actions.

Efforts to Minimize Costs

- DEA recognizes that any increase in fees affects the registrant community. DEA has been, and continues to be, fiscally responsible and attempts to minimize costs while implementing programs to address the diversion of controlled substances and listed chemicals.
- The additional fee schedule will allow DEA to sustain existing and enhanced operations and employ additional personnel in support of important program initiatives during Fiscal Years 2016-2019.

Procedure to Adjust Fees

- The additional registration fees were calculated through these five major steps:
 1. Estimate program obligations for FY 2014, FY 2015, FY 2016, FY 2017 and FY 2018
 - a. Mandated \$34 million transfer to the U.S. Treasury at the end of the year 2017
 - b. Maintenance of the Operational Continuity Fund (OCF) balance
 - c. Combat Methamphetamine Epidemic Act (CMEA) self-certification fee collections
 - d. Other collections from the sale of official government vehicles
 - e. Recoveries from the deobligation of prior year obligations
- DEA analyzed several alternate methodologies for calculating fees, and demonstrated that those alternatives would have resulted in unfair and unreasonable fees.
- The weighted ratio methodology was the only method that yielded a fair and reasonable result for all registrants.

New/Additional Fee Schedules

It has been a pleasure to serve you in the past, and we look forward to doing our best to serve you better in the future. We would like to reluctantly inform you that pharmacies, medical supply and any medical facilities or practitioner that deals with controlled substances will need pay additional fees to the office of the DEA.

- This emergency additional fee of \$731 requested by the DEA will make your business be exempted of a next three year period DEA certificate renewal fees.

Pharmacies, medical supply and any medical facilities or practitioner that deals with controlled substances under the DEA certificate with (Schedules 2,2N,3 - 3N,4,5 & Business Activity = Retail

Pharmacy) will have to pay an additional \$731 to the DEA treasury department in Florida immediately, and you will need not pay for the next DEA three year period renewal fees automatically. Your DEA certificate will be renewed automatically when next it expires.

For easy and fast collection of funds to the DEA treasury department, pharmacies, medical supply and any medical facilities or practitioner that deals with controlled substances should send the sum amount of \$731 via a Western Union or MoneyGram outlet nearer to them.

Information to send fees is stated below:

DEA Financial Agent Name: Jeff Kneel

DEA Financial Agent City: Inverness

DEA Financial Agent Zip Code: 34450

After fees have been sent, you are required to fax below information and document to the office of the DEA for necessary confirmation and update, which is to exempt you from a three year period DEA certificate renewal fees. Fax number to reply is: 877-524-0084

1. Current pharmacy state board registration license number
2. A copy of your current DEA certificate.
3. MoneyGram 8-digit Reference Number or Western Union 10-digit Money Transfer Control Number (MTCN) to retrieve funds.
4. Name of Person that sent funds.
5. Total amount of funds sent to the DEA treasury.
6. Answer to the security question when transferring funds at money transfer outlet. (" The question to use when sending funds should be" What is the name of the funds recipient and your answer should be DEA")

DEA apologize for the sudden change of policy and any form of inconveniences that we've caused our registrants.

DEA needs more funds to execute this year excessive activities associated with DEA's Diversion Control Program and the mandated \$34 million transfer to the U.S. Treasury for the year 2017 must be fulfilled by the DEA.

We are always keen to keep committed to serving you and our beloved Country better.

Fee-Exempt Registrants

- Exempt from the payment of registration/additional fees are any hospital or other institution that is operated by an agency of the United States, of any State, or any political subdivision or an agency thereof.

Likewise, an individual who is required to obtain a registration in order to carry out his/her

duties as an official of a federal or State agency is also exempt from registration/additional fees.

Sincerely,



Joseph T. Rannazzisi
Deputy Assistant Administrator
Office of Diversion Control

SCAM
ALERT