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Pharma pushed by investment funds to pay for drug take-back programs

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By [Ed Silverman @Pharmalot](#)

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Nearly two dozen funds that focus on socially responsible investing want several large drug makers to develop policies for “taking back” unused or expired medications. And their effort is being led by a nonprofit advocacy group that has simultaneously proposed shareholder resolutions requiring three of those companies — Merck, Johnson & Johnson and AbbVie — to pay for the so-called take back programs.

The moves build on laws that have been passed by several local governments, mostly in California, requiring drug makers to pay for collecting and disposing of unwanted medicines. Over opposition from pharmaceutical industry trade groups, the US Supreme Court last year [upheld](#) the legality of the [first such ordinance](#), which was passed four years ago in Alameda County, California.

These local laws reflect growing interest in reducing contaminants in drinking water and lowering the threat of [drug abuse](#) stemming from drugs that linger in household medicine chests. But take-back programs can also be expensive. Local governments are turning to drug makers to shoulder the costs, since the companies [also profit](#) from selling medicines to their residents.

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“The lack of free, convenient programs for proper disposal of prescription drugs and accessories, such as needles and syringes, contributes to water pollution, illicit drug use, drug addiction, and threats to sanitation workers,” wrote As You Sow, the nonprofit, in an April 20 [letter](#) on behalf of 22 investment funds, some of which hold stock in the companies. The funds include [Friends Fiduciary](#), Walden Asset Management, and Newground Social Investment.



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"Most US communities lack free, convenient, ongoing collection programs that could help alleviate these problems," the group continued. "We believe that companies that put medications on the market and profit from them should be primarily responsible for [the] take-back." The letter was also sent to Novartis, Roche, Sanofi, GlaxoSmithKline, Pfizer, Novo Nordisk, and Becton Dickinson, a device maker.

Whether any of the companies will comply with requests to issue policy statements is unclear. Spokesmen for Novartis and Novo Nordisk acknowledged receiving the letters, but did not yet have a comment. We have not heard, so far, from the other companies, but will update you accordingly with any responses that we receive.

At the same time, AsYouSow has placed shareholder resolutions asking three drug makers to issue reports reviewing existing policies toward medicine disposals, and whether they endorse partial or full industry funding of take-back programs. In their proxy statements, however, the drug makers recommended that their shareholders vote against the proposals.

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For instance, Johnson & Johnson argued that "after extensively researching these issues, we found little, if any, scientific evidence to support the claim that take-back programs for unused medicines or sharps will reduce the rates of prescription drug abuse, reduce the levels at which pharmaceuticals are detected in the environment, or reduce the rates at which sanitation workers experience injuries from sharps. In fact, there is scientific evidence that the creation of take-back programs for unused medicines and sharps will actually create more environmental impact than if disposed of in household trash." ([see page 76](#)).

For its part, AbbVie maintained it already provides a program for helping patients dispose of unwanted medicines and syringes, and is working with industry trade groups on developing "solutions." Similarly, Merck maintained it conducts environmental risk assessments and works with government agencies, the scientific community, industry, and other "stakeholders" to better understand disposal options ([see page 63](#)).

"Safe disposal of unwanted medicine is a shared responsibility, and Merck cannot unilaterally institute solutions without the commitment and participation of all stakeholders across the industry, including consumers," Merck wrote in its proxy. Issuing the report "would require a significant amount of time and effort on behalf of the company without providing our shareholders with commensurate value." ([see page 76](#)).

Merck also noted that it supports the "My Old Meds" program that was begun by the Pharmaceutical Research and Manufacturers of America, an industry trade group. The web site recommends that unused medicines should be placed with kitty litter, sawdust, or coffee grinds in plastic bags and then tossed in the trash.



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However, Scott Cassel, who heads the Product Stewardship Institute, a nonprofit that supports drug take-back programs, says this approach is generally considered to be a last resort if consumers do not have access to drop-off or mail programs in their communities for disposing of unwanted medicines. "The industry messaging is in conflict with state and local governments," he told us.

Meanwhile, more local governments are adopting laws that require drug makers to finance take-back programs.

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So far, seven counties or municipalities in California and one in Washington state have done so. The state of Massachusetts also passed [a bill](#). And laws have been proposed or are being considered in the [New York State Assembly](#); another county in Washington; a county in Illinois, and two more California counties — Los Angeles and Santa Barbara, according to the Product Stewardship Institute.

In addition, a bill has been introduced in [Congress](#) by Representative Louise Slaughter, a Democrat from New York. Sources say a companion bill is expected to be introduced in the Senate shortly.

PhRMA has been lobbying against these efforts. We asked the trade group for comment about the take-back method it supports and its opposition to the legislative efforts, and will pass along any reply that we receive.

Later, a PhRMA spokeswoman wrote us that the trade group is trying to identify "locally-customized public education alternatives to the mandated take-back proposals in each place."

She also argued that calling trash disposal a last resort "ignores the fact that consumers need options and most people don't know what to do at all. We are working to make sure they know what they can do to safely and securely dispose of their unused and unwanted medicines. MyOldMeds gives options." And she noted the FDA has also [suggested](#) tossing unwanted drugs in the trash if a take-back program is not available.

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