CORPORATE EDITION

PSYCHEMEDICS

THE FACTS

About Drug Abuse

September 2016

Opioid-Related Insurance Claims Rose More Than 3,000 Percent

Inside this issue:

Fatal Accidents Soared: Since Pot was Legalized

Industry Update: DOT Hair Testing

Astounding Facts: The Cannabis Plant

The Heroin Epidemic: Supply & Demand

Did You Know?

<u>Statistics</u>

* Abuse of tobacco, alcohol, and illicit drugs is costly to our Nation, exacting more than \$700 billion annually in costs related to crime, lost work productivity and health care.

* More than half of new illicit drug users begin with marijuana. Next most common are prescription pain relievers, followed by inhalants (which is most common among younger teens).

Source: www.drugabuse.gov

Health insurance claims for people hooked on prescription painkillers and heroin

2 skyrocketed as the number of Americans who fatally overdosed on those opioids hit record highs, a new analysis reveals.

The number of private health insurance claims related to opioid dependence diagnosis soared by 3,204 percent from 2007 to 2014, the analysis found.

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The same analysis by Fair Health also found other disturbingly sharp spikes upward in the number of private insurance claims related to opioid abuse, drug dependence by pregnant women and heroin overdoses since 2011. "The United States is in the midst of an epidemic of opioid dependence, abuse and overdose," notes the analysis by Fair Health, a nonprofit group that focuses on transparency in health-care costs and health insurance information.

The group also pointed out that "unlike earlier opioid abuse epidemics, the present crisis is disproportionately affecting white, middle-class people in nonurban settings, including those with private health insurance."

The more than 3,000 percent increase, from 2007 to 2014, for opioid dependence, relates to people with symptoms that include needing to take more prescription painkillers or heroin to achieve the same



effect, withdrawal, "and repeated unsuccessful efforts to quit," Fair Health noted.

The vast majority of such claims, 69 percent, came from adults between the age of 19 and 35.

And overdoses related to heroin rose 530 percent, the analysis found. The overwhelming majority of heroin overdoses occurred among people between the ages of 19 and 35.

CNBC: http://www.cnbc.com/2016/08/01/opioid-related-insurance-claims-rose-more-than-3000-percent-2007-to-2014.html

Notes from Ray Kubacki

Dear Valued Clients and Friends,

The article above highlights the current struggles that many companies are going through when dealing with the challenges of controlling escalating costs. The opioid epidemic not only

of controlling escalating costs. The opioid epidemic not only Psychi harms our communities, but also impacts health insurance costs and workers compensations claims.

One of the benefits of a Psychemedics hair testing program is that it helps address the problems that traditional testing methods don't, by providing a deterrence tool that can help organizations reduce and manage their overall costs. If you would like more information about how hair testing can help <u>lower</u> your costs, our team is always ready to answer any questions.

Best Regards, Ray



Raymond Kubacki, Chairman & CEO, Psychemedics Corporation



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Fatal accidents involving stoned drivers soared in Washington since pot was legalized

Stoned driving can be as serious a problem as drunk driving.

Fatal accidents involving stoned drivers have soared in the state of Washington since marijuana was legalized there, according to a study from the AAA Foundation for Traffic Safety. But it's difficult to determine whether a high-on-pot driver is too impaired to drive, according to a separate study from the same group.



Fatal crashes involving drivers who recently used marijuana more than doubled in 2014. Pot was involved in 17% of fatal crashes in Washington in 2014, up from 8% in 2013 -- the year before recreational marijuana was allowed there.

"The significant increase in fatal crashes involving marijuana is alarming," said Peter Kissinger, CEO of the foundation, which funds scientifically rigorous studies for the drivers organization. "Washington serves as an eye-opening case study for what other states may experience with road safety after legalizing the drug."

http://money.cnn.com/2016/05/10/news/stoned-driving-fatal-accidents/

INDUSTRY UPDATE

HAIR TESTING TO BE ADDED TO DOT TESTING OPTIONS



In December 2015, Congress passed H.R. 22, which included the authorization of hair testing in conducting pre-employment testing for use of a controlled substance, and random testing for the use of a controlled substance if the operator was subject to hair testing for pre-employment testing. The Substance Abuse and Mental Health Service Administration (SAMHSA) is currently in the process of developing the hair testing standards for federally mandated drug testing. Organizations like the American Trucking Association (ATA) were integral in pushing this change, as their focus on safety resulted in strong support for the inclusion of hair as an alternative testing specimen in mandatory, DOT testing.

H.R. 22: http://datia.org/datia/advocacy/BILLS-114hr22.pdf



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THE HEROIN EPIDEMIC -- GLOBAL SUPPLY & DEMAND

Below is the summary of an article written by Psychemedics for the IFDAT Spring Newsletter. The full article can be found at <u>http://tinyurl.com/jlva4r3</u>.

The need for an effective strategy to combat the heroin epidemic is more important than ever as the number of heroin deaths continue to rise and more troubling statistics are released. The alarming increase of heroin use is presumed to be driven by the prescription opioid epidemic, and the availability of cheaper, more accessible heroin.



Pain Pill Addicts Turn to Heroin

Once a person becomes addicted to pain pills, they often turn to heroin as their drug of choice. Prescription drugs have become such a hot commodity that addicts have realized that heroin is cheaper, more potent, and often easier to obtain.

The US Epidemic

The dramatic increase and spike in heroin use in the United States prompted the White House to introduce a new costly program aimed at curbing heroin use and traffic. The heroin and prescription opioid epidemic has been defined as a "public health and a public safety issue" by Michael Botticelli, the Director of the National Drug Control Policy.

Hair Analysis Provides Long-Term View of Use

While other testing methods might determine recent use or current impairment, hair testing provides a longterm three-month view of consumption. Traditional urine testing typically only detects heroin use for 24-48 hours, and is plagued by problems like false positives (from ingesting poppy seeds or the use of certain medications) and the broad knowledge of methods to beat the test. By contrast, hair acts like a tape recorder—permanently "recording" drug deposits in proportion to use over time as drugs.

Staying Ahead of the Impact of Heroin Abuse in the Workplace

With the heroin epidemic showing no signs of slowing down, the responsibility for curbing the supply and demand lies with all affected countries. To lessen the impact of the heroin epidemic, workplace programs should make sure that the best detection tools are implemented. An effective testing method like Psychemedics hair analysis can create a powerful deterrent and provide the longest detection period, resulting in the greatest return on investment.

Did You Know ??

Psychemedics is a proud sponsor of Team USA at the International Biology Olympiad

Psychemedics is proud to be a long time sponsor of the USA team that competes at the USABO every summer, the annual World Championship Biology Competition for high school students. This year, the 2016 Team USA honored the United States at the International Biology Olympiad with the receipt of three Gold Medals and one Silver Medal at the competition in Hanoi, Vietnam.



To learn more about the academic Olympiads, including registration instructions for 2017, visit http://www.usabo-trc.org/.



PSYCHEMEDICS

Superior Detection of Drug Abuse

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Why Choose Psychemedics?

ALL HAIR TESTING IS NOT THE SAME

Psychemedics Corporation is the world's largest provider of hair testing for drugs of abuse and has been successfully operating for over 25 years. Thousands of corporations, nationally and internationally, rely on the patented Psychemedics drug testing services. Psychemedics' clients include over 10% of the Fortune 500, many of the largest police departments both domestic and global, and Federal Reserve Banks. In addition, the Company serves schools and colleges around the world. Our team of experts stand ready to help through every step: policy development, communication, implementation and sustainability.

Since 1987, Psychemedics has offered the most effective hair testing technology, based on scientifically validated drug testing methods. All hair testing is not the same – our patented technology uses a unique process to release the drugs trapped in the hair without destroying the drugs and removes virtually 100% of the drugs from the hair. Our patent is fundamental to hair analysis drug testing because if you cannot get all the drugs out of the hair, you cannot accurately measure them; and if you cannot accurately measure the drugs, you cannot identify all of the drug users. This proprietary technology provides superior detection of drugs of abuse, and is what sets us apart.

Case Studies Available!

Making the case for change is often about understanding the benefits that others have gained by changing their programs. If you would like to learn more about the implementation process and program results of our customers, please contact us at info@psychemedics.com for copies of the case studies we have available.