

United States Senate

WASHINGTON, DC 20510

December 10, 2024

FLL Partners
33 Bush Street, Suite 1450
San Francisco, CA 10019

To Whom It May Concern:

We write to request information about your private equity firm’s investment in opioid treatment programs (OTPs). In particular, we are seeking information on the role that private equity firms are playing in access to, and availability of, medication for opioid use disorder (MOUD), especially methadone. We have previously written directly to OTPs in which private equity firms, including yours, have ownership interests. But the lack of meaningful responses to our inquiries and overall lack of transparency about the role private equity plays in the provision of behavioral health care constrains us to seek answers from you directly.

The United States has a long way to go in combatting the opioid epidemic that has swept across the nation. In 2023, 107,543 people in the United States died from a drug overdose; synthetic opioids, including fentanyl, contributed to about 81,000 fatal overdoses.¹ Those staggering figures underscore the need for more overdose prevention resources, including increased access to treatment for Americans living with OUD. Yet, in 2021, only about one in five Americans with OUD received MOUD.²

Methadone is one highly effective, proven medication for stabilizing patients with OUD and helping them stay in recovery. According to the National Institute on Drug Abuse, “[a] large number of studies . . . support methadone’s effectiveness at reducing opioid use.”³ In fact, methadone has been used with great success to treat OUD since the 1970s, reducing the likelihood of dying from an opioid overdose by 50 percent or more.⁴

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But few people in need of methadone treatment receive it due to restrictions on access under federal law. Methadone is the most stringently regulated of the three FDA-approved medications for opioid use disorder.⁵ Currently, methadone for the treatment of OUD is only available at approximately 2,000 federally regulated OTPs, also known as methadone clinics.⁶

The *Modernizing Opioid Treatment Access Act* (MOTAA) would modernize the outdated rules governing methadone, empowering board-certified addiction psychiatry and addiction medicine physicians registered with the Drug Enforcement Administration to prescribe methadone for opioid use disorder to patients, and allowing U.S. pharmacies to dispense it. But the many for-profit and private equity owned and affiliated OTPs seek to continue to require patients to receive treatment *at* OTPs.

Some OTPs, including several owned or affiliated with private equity firms, have organized a campaign called “Program, not a pill” in opposition to bipartisan legislation to reform and liberalize how patients suffering from OUD can access methadone. According to publicly available information, private equity has an interest in at least seven of the eight OTPs affiliated with the “Program, not a pill” campaign.⁷ The correlation between private equity owned OTPs and opposition to safe, evidence-based expansion of life-saving medication is, at minimum, concerning. We write to seek more information about private equity firms’ and OTPs’ interest in keeping methadone treatment limited to OTPs’ on-site locations, and what aspects of the for-profit OTP business model are informing clinical decisions about patient care.

In recent years, the role of private equity in OTPs has grown significantly. In recent years, private equity has invested heavily in addiction treatment programs. According to the *Wall Street Journal*, “private-equity has become the ‘driving force’ in growth in methadone clinics.”⁸ In the mid-2000s, “roughly 60% of the clinics were nonprofits.” By 2017, “nearly 60% were for-profit entities.”⁹ The reason, according to Marketplace, is that “[a]ddiction treatment” is “now seen as a big moneymaker” and “has become a prime investment target because of the ongoing opioid overdose crisis and improved health insurance coverage.”¹⁰

The consequence of private equity investment in health care is to “increase health care prices and utilization — and thus costs — to both patients and the larger society.” And although

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To help us better understand whether, and, if so how, private-equity investment in OTPs is impacting access to and the use of methadone for OUD, we request written answers to the following questions by January 10, 2025:

1. Please provide a comprehensive overview of any investment by your private equity firm in any OTP, including the name of the OTP, the date of the investment, the geographic location(s) of the investment, and a summary of the non-confidential terms and conditions of the investment. Please also provide any term sheet.
2. If your private equity firm has invested in any OTP, what specific objectives or goals were outlined in the agreement between your firm and the OTP? How have these objectives been tracked and measured over time?
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5. Has any OTP in which your firm has invested made any modifications to the criteria or guidelines for prescribing or dispensing methadone since the investment? If so, please identify them.
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Thank you in advance for your attention to these questions. We look forward to your timely response.

Sincerely,



Edward J. Markey
United States Senator



Mike Braun
United States Senator

United States Senate

WASHINGTON, DC 20510

December 10, 2024

Two Sigma Investments
100 Avenue of the Americas
New York, NY 10013

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United States Senator



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United States Senator

United States Senate

WASHINGTON, DC 20510

December 10, 2024

Simon Bachleda
Founder & Managing Partner
Revelstroke Capital Partners
260 N. Josephine Street, Suite 500
Denver, CO 80206

Dear Mr. Bachleda:

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United States Senator



Mike Braun
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WASHINGTON, DC 20510

December 10, 2024

Warwick Capital Partners
86 Duke of York Square
London SW3 4LY
United Kingdom

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The *Modernizing Opioid Treatment Access Act* (MOTAA) would modernize the outdated rules governing methadone, empowering board-certified addiction psychiatry and addiction medicine physicians registered with the Drug Enforcement Administration to prescribe methadone for opioid use disorder to patients, and allowing U.S. pharmacies to dispense it. But the many for-profit and private equity owned and affiliated OTPs seek to continue to require patients to receive treatment *at* OTPs.

Some OTPs, including several owned or affiliated with private equity firms, have organized a campaign called “Program, not a pill” in opposition to bipartisan legislation to reform and liberalize how patients suffering from OUD can access methadone. According to publicly available information, private equity has an interest in at least seven of the eight OTPs affiliated with the “Program, not a pill” campaign.⁷ The correlation between private equity owned OTPs and opposition to safe, evidence-based expansion of life-saving medication is, at minimum, concerning. We write to seek more information about private equity firms’ and OTPs’ interest in keeping methadone treatment limited to OTPs’ on-site locations, and what aspects of the for-profit OTP business model are informing clinical decisions about patient care.

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The consequence of private equity investment in health care is to “increase health care prices and utilization — and thus costs — to both patients and the larger society.” And although “[s]ome new private owners of health care facilities may adopt reforms that make care more efficient and reduce costs, thus improving value . . . in general, it’s much easier, and more common, for private owners to raise prices and volumes and to focus on high-margin services.”¹¹ Overall, there is a question of “the compatibility of [private equity’s] profit maximization practices with certain public-service-oriented industries.”¹² In this instance, we are concerned that there is incompatibility manifesting itself in private-equity-backed OTPs seeking to maintain their monopoly on methadone access, not because it is good for the patient, but because it is good for the bottom line. Any interference with policies that would save lives for the sake of profit is unacceptable.

To help us better understand whether, and, if so how, private-equity investment in OTPs is impacting access to and the use of methadone for OUD, we request written answers to the following questions by January 10, 2025:

1. Please provide a comprehensive overview of any investment by your private equity firm in any OTP, including the name of the OTP, the date of the investment, the geographic location(s) of the investment, and a summary of the non-confidential terms and conditions of the investment. Please also provide any term sheet.
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Thank you in advance for your attention to these questions. We look forward to your timely response.

Sincerely,



Edward J. Markey
United States Senator



Mike Braun
United States Senator

United States Senate

WASHINGTON, DC 20510

December 10, 2024

Linden Capital Partners
110 N Wacker Drive
55th Floor
Chicago, IL 60606

To Whom It May Concern:

We write to request information about your private equity firm’s investment in opioid treatment programs (OTPs). In particular, we are seeking information on the role that private equity firms are playing in access to, and availability of, medication for opioid use disorder (MOUD), especially methadone. We have previously written directly to OTPs in which private equity firms, including yours, have ownership interests. But the lack of meaningful responses to our inquiries and overall lack of transparency about the role private equity plays in the provision of behavioral health care constrains us to seek answers from you directly.

The United States has a long way to go in combatting the opioid epidemic that has swept across the nation. In 2023, 107,543 people in the United States died from a drug overdose; synthetic opioids, including fentanyl, contributed to about 81,000 fatal overdoses.¹ Those staggering figures underscore the need for more overdose prevention resources, including increased access to treatment for Americans living with OUD. Yet, in 2021, only about one in five Americans with OUD received MOUD.²

Methadone is one highly effective, proven medication for stabilizing patients with OUD and helping them stay in recovery. According to the National Institute on Drug Abuse, “[a] large number of studies . . . support methadone’s effectiveness at reducing opioid use.”³ In fact, methadone has been used with great success to treat OUD since the 1970s, reducing the likelihood of dying from an opioid overdose by 50 percent or more.⁴

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The consequence of private equity investment in health care is to “increase health care prices and utilization — and thus costs — to both patients and the larger society.” And although “[s]ome new private owners of health care facilities may adopt reforms that make care more efficient and reduce costs, thus improving value . . . in general, it’s much easier, and more common, for private owners to raise prices and volumes and to focus on high-margin services.”¹¹ Overall, there is a question of “the compatibility of [private equity’s] profit maximization practices with certain public-service-oriented industries.”¹² In this instance, we are concerned that there is incompatibility manifesting itself in private-equity-backed OTPs seeking to maintain their monopoly on methadone access, not because it is good for the patient, but because it is good for the bottom line. Any interference with policies that would save lives for the sake of profit is unacceptable.

To help us better understand whether, and, if so how, private-equity investment in OTPs is impacting access to and the use of methadone for OUD, we request written answers to the following questions by January 10, 2025:

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Sincerely,



Edward J. Markey
United States Senator



Mike Braun
United States Senator

United States Senate

WASHINGTON, DC 20510

December 10, 2024

Simon Webster
Chief Executive Officer
Vistra
156 W 56th Street
New York, NY 10019

Dear Mr. Webster:

We write to request information about your private equity firm’s investment in opioid treatment programs (OTPs). In particular, we are seeking information on the role that private equity firms are playing in access to, and availability of, medication for opioid use disorder (MOUD), especially methadone. We have previously written directly to OTPs in which private equity firms, including yours, have ownership interests. But the lack of meaningful responses to our inquiries and overall lack of transparency about the role private equity plays in the provision of behavioral health care constrains us to seek answers from you directly.

The United States has a long way to go in combatting the opioid epidemic that has swept across the nation. In 2023, 107,543 people in the United States died from a drug overdose; synthetic opioids, including fentanyl, contributed to about 81,000 fatal overdoses.¹ Those staggering figures underscore the need for more overdose prevention resources, including increased access to treatment for Americans living with OUD. Yet, in 2021, only about one in five Americans with OUD received MOUD.²

Methadone is one highly effective, proven medication for stabilizing patients with OUD and helping them stay in recovery. According to the National Institute on Drug Abuse, “[a] large number of studies . . . support methadone’s effectiveness at reducing opioid use.”³ In fact, methadone has been used with great success to treat OUD since the 1970s, reducing the likelihood of dying from an opioid overdose by 50 percent or more.⁴

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Sincerely,



Edward J. Markey
United States Senator



Mike Braun
United States Senator

United States Senate

WASHINGTON, DC 20510

December 10, 2024

David Malm
Managing Partner
Webster Equity Partners
1000 Winter Street
Waltham, MA 02451

Dear Mr. Malm:

We write to request information about your private equity firm's investment in opioid treatment programs (OTPs). In particular, we are seeking information on the role that private equity firms are playing in access to, and availability of, medication for opioid use disorder (MOUD), especially methadone. We have previously written directly to OTPs in which private equity firms, including yours, have ownership interests. But the lack of meaningful responses to our inquiries and overall lack of transparency about the role private equity plays in the provision of behavioral health care constrains us to seek answers from you directly.

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¹⁰ Blake Farmer, *Private equity investment is flooding into addiction treatment. Is that a good thing?*, Marketplace (Jan. 25, 2023), <https://www.marketplace.org/2023/01/25/private-equity-investment-is-flooding-into-addiction-treatment-is-that-a-good-thing/>.

The consequence of private equity investment in health care is to “increase health care prices and utilization — and thus costs — to both patients and the larger society.” And although “[s]ome new private owners of health care facilities may adopt reforms that make care more efficient and reduce costs, thus improving value . . . in general, it’s much easier, and more common, for private owners to raise prices and volumes and to focus on high-margin services.”¹¹ Overall, there is a question of “the compatibility of [private equity’s] profit maximization practices with certain public-service-oriented industries.”¹² In this instance, we are concerned that there is incompatibility manifesting itself in private-equity-backed OTPs seeking to maintain their monopoly on methadone access, not because it is good for the patient, but because it is good for the bottom line. Any interference with policies that would save lives for the sake of profit is unacceptable.

To help us better understand whether, and, if so how, private-equity investment in OTPs is impacting access to and the use of methadone for OUD, we request written answers to the following questions by January 10, 2025:

1. Please provide a comprehensive overview of any investment by your private equity firm in any OTP, including the name of the OTP, the date of the investment, the geographic location(s) of the investment, and a summary of the non-confidential terms and conditions of the investment. Please also provide any term sheet.
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3. What is the total amount of capital that your private equity firm invested in any OTP? How has this investment been allocated within the OTP, and what key areas or projects have received funding as a result of the private equity investment?
4. Please provide an overview of the financial performance and profitability of the OTP before and after any private equity investment. Please include relevant financial metrics and any changes in revenue, expenses, or profit margins.
5. Has any OTP in which your firm has invested made any modifications to the criteria or guidelines for prescribing or dispensing methadone since the investment? If so, please identify them.
6. Since any investment, has your firm been involved in any decisions regarding clinical practices? If so, please describe that involvement.

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¹² Eva Su, *Private Equity and Capital Markets Policy*, Congressional Research Service (Mar. 28, 2022), <https://www.crs.gov/Reports/R47053>.

7. Since any investment, have there been any updates or enhancements to the training programs provided to OTP staff involved in methadone prescribing and dispensing? If so, please describe them.
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Thank you in advance for your attention to these questions. We look forward to your timely response.

Sincerely,



Edward J. Markey
United States Senator



Mike Braun
United States Senator

United States Senate

WASHINGTON, DC 20510

December 10, 2024

John Brooke
Senior Partner & Co-Founder
BPEA Private Equity
20 Custom House Street, Suite 610
Boston, MA 02110

Dear Mr. Brooke:

We write to request information about your private equity firm’s investment in opioid treatment programs (OTPs). In particular, we are seeking information on the role that private equity firms are playing in access to, and availability of, medication for opioid use disorder (MOUD), especially methadone. We have previously written directly to OTPs in which private equity firms, including yours, have ownership interests. But the lack of meaningful responses to our inquiries and overall lack of transparency about the role private equity plays in the provision of behavioral health care constrains us to seek answers from you directly.

The United States has a long way to go in combatting the opioid epidemic that has swept across the nation. In 2023, 107,543 people in the United States died from a drug overdose; synthetic opioids, including fentanyl, contributed to about 81,000 fatal overdoses.¹ Those staggering figures underscore the need for more overdose prevention resources, including increased access to treatment for Americans living with OUD. Yet, in 2021, only about one in five Americans with OUD received MOUD.²

Methadone is one highly effective, proven medication for stabilizing patients with OUD and helping them stay in recovery. According to the National Institute on Drug Abuse, “[a] large number of studies . . . support methadone’s effectiveness at reducing opioid use.”³ In fact, methadone has been used with great success to treat OUD since the 1970s, reducing the likelihood of dying from an opioid overdose by 50 percent or more.⁴

¹ *US Overdose Deaths Decrease in 2023, First Time Since 2018*, Centers for Disease Control and Prevention (May 15, 2024), https://www.cdc.gov/nchs/pressroom/nchs_press_releases/2024/20240515.htm.

² News Release, Only 1 in 5 U.S. adults with opioid use disorder received medications to treat it in 2021, National Institute on Drug Abuse (Aug. 7, 2023), <https://nida.nih.gov/news-events/news-releases/2023/08/only-1-in-5-us-adults-with-opioid-use-disorder-received-medications-to-treat-it-in-2021>.

³ *How effective are medications to treat opioid use disorder?*, Nat’l Institute on Drug Abuse (Dec. 3, 2021), <https://nida.nih.gov/publications/research-reports/medications-to-treat-opioid-addiction/efficacy-medications-opioid-use-disorder>.

⁴ Morgan Coulson, *Methadone Is an Effective Treatment for Opioid Use Disorder; So Why Aren’t More Patients Using It?*, Johns Hopkins University Bloomberg School of Public Health (Sept. 26, 2023), <https://publichealth.jhu.edu/2023/barriers-to-methadone-access>; News Release, Methadone and buprenorphine

But few people in need of methadone treatment receive it due to restrictions on access under federal law. Methadone is the most stringently regulated of the three FDA-approved medications for opioid use disorder.⁵ Currently, methadone for the treatment of OUD is only available at approximately 2,000 federally regulated OTPs, also known as methadone clinics.⁶

The *Modernizing Opioid Treatment Access Act* (MOTAA) would modernize the outdated rules governing methadone, empowering board-certified addiction psychiatry and addiction medicine physicians registered with the Drug Enforcement Administration to prescribe methadone for opioid use disorder to patients, and allowing U.S. pharmacies to dispense it. But the many for-profit and private equity owned and affiliated OTPs seek to continue to require patients to receive treatment *at* OTPs.

Some OTPs, including several owned or affiliated with private equity firms, have organized a campaign called “Program, not a pill” in opposition to bipartisan legislation to reform and liberalize how patients suffering from OUD can access methadone. According to publicly available information, private equity has an interest in at least seven of the eight OTPs affiliated with the “Program, not a pill” campaign.⁷ The correlation between private equity owned OTPs and opposition to safe, evidence-based expansion of life-saving medication is, at minimum, concerning. We write to seek more information about private equity firms’ and OTPs’ interest in keeping methadone treatment limited to OTPs’ on-site locations, and what aspects of the for-profit OTP business model are informing clinical decisions about patient care.

In recent years, the role of private equity in OTPs has grown significantly. In recent years, private equity has invested heavily in addiction treatment programs. According to the *Wall Street Journal*, “private-equity has become the ‘driving force’ in growth in methadone clinics.”⁸ In the mid-2000s, “roughly 60% of the clinics were nonprofits.” By 2017, “nearly 60% were for-profit entities.”⁹ The reason, according to Marketplace, is that “[a]ddiction treatment” is “now seen as a big moneymaker” and “has become a prime investment target because of the ongoing opioid overdose crisis and improved health insurance coverage.”¹⁰

reduce risk of death after opioid overdose, National Institutes of Health (June 19, 2018), <https://www.nih.gov/news-events/news-releases/methadone-buprenorphine-reduce-risk-death-after-opioid-overdose>.

⁵ Medications for Opioid Use Disorder Save Lives, National Academies Press (2019), <https://nap.nationalacademies.org/read/25310/chapter/7>.

⁶ Opioid Treatment Program Directory, Substance Abuse and Mental Health Services Admin., <https://dpt2.samhsa.gov/treatment/directory.aspx>.

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The consequence of private equity investment in health care is to “increase health care prices and utilization — and thus costs — to both patients and the larger society.” And although “[s]ome new private owners of health care facilities may adopt reforms that make care more efficient and reduce costs, thus improving value . . . in general, it’s much easier, and more common, for private owners to raise prices and volumes and to focus on high-margin services.”¹¹ Overall, there is a question of “the compatibility of [private equity’s] profit maximization practices with certain public-service-oriented industries.”¹² In this instance, we are concerned that there is incompatibility manifesting itself in private-equity-backed OTPs seeking to maintain their monopoly on methadone access, not because it is good for the patient, but because it is good for the bottom line. Any interference with policies that would save lives for the sake of profit is unacceptable.

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Thank you in advance for your attention to these questions. We look forward to your timely response.

Sincerely,



Edward J. Markey
United States Senator



Mike Braun
United States Senator

United States Senate

WASHINGTON, DC 20510

December 10, 2024

Reeve Waud
Managing Partner
Waud Capital Partners
300 North LaSalle Street, Suite 4900
Chicago, IL 60654

Dear Mr. Waud:

We write to request information about your private equity firm’s investment in opioid treatment programs (OTPs). In particular, we are seeking information on the role that private equity firms are playing in access to, and availability of, medication for opioid use disorder (MOUD), especially methadone. We have previously written directly to OTPs in which private equity firms, including yours, have ownership interests. But the lack of meaningful responses to our inquiries and overall lack of transparency about the role private equity plays in the provision of behavioral health care constrains us to seek answers from you directly.

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Edward J. Markey
United States Senator



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