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Attorney General

Josh Stein

# Attorney General Josh Stein Announces \$26 Billion Agreement with Opioid Distributors/Manufacturer



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Attorney General

Josh Stein

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(RALEIGH) Attorney General Josh Stein today announced a historic \$26 billion agreement that will help bring desperately needed relief to people across the country who are struggling with opioid addiction. The agreement includes Cardinal, McKesson, and AmerisourceBergen – the nation’s three major pharmaceutical distributors – and Johnson & Johnson, which manufactured and marketed opioids. The agreement also requires significant industry changes that will help prevent this type of crisis from ever happening again. The agreement would resolve investigations and litigation over the companies’ roles in creating and fueling the opioid epidemic. State negotiations were led by Attorneys General Josh Stein (NC) and Herbert Slatery (TN) and the attorneys general from California, Colorado, Connecticut, Delaware, Florida, Georgia, Louisiana, Massachusetts, New York, Ohio, Pennsylvania, and Texas.

“The opioid epidemic has torn families apart and killed thousands of North Carolinians,” said Attorney General Josh Stein. “Families across our state have shared with me their heart-wrenching stories about their loved ones who are struggling with the horrible disease of addiction or who overdosed and died. It has been my genuine honor on their behalf to lead these negotiations to hold accountable the companies that helped to create and fuel this crisis. While no amount of money will ever be enough, this settlement will force these drug companies to pay a historic amount of money to bring much-needed treatment and recovery services to North Carolina communities and to change their business practices so that something like this never happens again.”

The agreement would resolve the claims of both states and local governments across the country, including the nearly 4,000 that have filed lawsuits in federal and state courts. Following today's agreement, states have 30 days to sign onto the deal and local governments in the participating states will have up to 150 days to join to secure a critical mass of participating states and local governments. States and their local governments will receive maximum payments if each state and its local governments join together in support of the agreement.

The State of North Carolina has already signed the agreement, making North Carolina local governments eligible to participate. North Carolina's share will be distributed among the State and local governments pursuant to a [Memorandum of Agreement](#), to which the State and more than 53 local governments have already agreed. North Carolina stands to receive approximately \$750 million with all local governments on board.

#### Funding Overview:

- The three distributors collectively will pay up to \$21 billion over 18 years.
- Johnson & Johnson will pay up to \$5 billion over nine years with up to \$3.7 billion paid during the first three years.
- The total funding distributed will be determined by the overall degree of participation by both litigating and non-litigating state and local governments.
- The substantial majority of the money is to be spent on opioid treatment and prevention.
- Each state's share of the funding has been determined by agreement among the states using a formula that takes into account the impact of the crisis on the state – the number of overdose deaths, the number of residents with substance use disorder, and the number of opioids prescribed – and the population of the state.

#### Injunctive Relief Overview:

- The 10-year agreement will result in court orders requiring Cardinal, McKesson, and AmerisourceBergen to:
  - Establish a centralized independent clearinghouse to provide all three distributors and state regulators with aggregated data and analytics about where drugs are going and how often, eliminating blind spots in the current systems used by distributors.
  - Use data-driven systems to detect suspicious opioid orders from customer pharmacies.
  - Terminate customer pharmacies' ability to receive shipments, and report those companies to state regulators, when they show certain signs of diversion.
  - Prohibit shipping of and report suspicious opioid orders.
  - Prohibit sales staff from influencing decisions related to identifying suspicious opioid orders.
  - Require senior corporate officials to engage in regular oversight of anti-diversion efforts.
- The 10-year agreement will result in court orders requiring Johnson & Johnson to:
  - Stop selling opioids.
  - Not fund or provide grants to third parties for promoting opioids.
  - Not lobby on activities related to opioids.
  - Share clinical trial data under the Yale University Open Data Access Project.

This settlement comes as a result of investigations by state attorneys general into whether the three distributors fulfilled their legal duty to refuse to ship opioids to pharmacies that submitted suspicious drug orders and whether Johnson & Johnson misled patients and doctors about the addictive nature of opioid drugs.

Tragically, just last year, opioid overdose [deaths](#) rose to a record 93,000, a nearly 30 percent increase over the prior year. In North Carolina, more than [five people die of opioid overdose](#) each day. From 2000 to 2019, more than 16,500 North Carolinians lost their lives to accidental opioid overdose. Many, many more have seen their lives torn apart by the disease of addiction. The damage also impacts their families and friends and their broader communities that suffer the consequences.

A previous version of this deal in principle was announced in 2019 and included the opioid manufacturer Teva. Negotiations with Teva are ongoing and are no longer part of this agreement. Today's deal comes on the heels of previously announced opioid settlements with Purdue Pharma, McKinsey Consulting, Mallinckrodt, and Insys Therapeutics. Combined these earlier matters will generate approximately \$6.7 billion for opioid abatement, which in addition to today's agreement brings the collective opioid efforts of the attorneys general to \$32.7 billion. These opioid cases represent the largest attorney general multi-state enforcement actions in history other than the tobacco master settlement agreement.

More information is available [here](#) and [here](#).

A copy of the full distributor agreement is available [here](#).

A copy of the Johnson & Johnson agreement is available [here](#).

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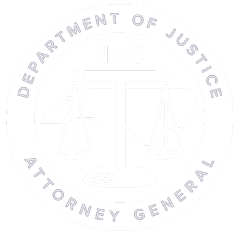
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