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Alabama Attorney General Marshall Finalizes \$220 Million Settlement with Two Opioid Distributors

(Montgomery) – Alabama Attorney General Steve Marshall announced today a \$220 million settlement with two opioid distributors to resolve litigation with the State over their role in the opioid crisis in Alabama. The companies, Cardinal Health and Cencora (formerly AmerisourceBergen) are two of the “Big Three” distributors against whom the State originally filed suit in 2022.

“Today reaffirmed our decision to decline participation in the national opioid settlement with Cardinal and Cencora, as that proposal failed to adequately acknowledge the unique harms faced by Alabamians,” said Attorney General Marshall. “While this settlement will not bring back those lost to this devastating epidemic, it presents a historic opportunity to ameliorate the harm that opioid abuse has caused in our communities and to finally move us out of this epidemic altogether.”

According to the terms of the agreement, Cardinal and Cencora will pay a combined \$220 million in abatement funds over ten years. Per the terms of each agreement, the settlement funds are to be used only to remediate the harms caused by the opioid crisis in Alabama. As with previous opioid settlements, the State will share settlement funds with local governments and public hospitals. The State’s share of the settlement funds will be deposited directly into the State’s General Fund. As the Alabama Legislature works to determine the best uses of this funding, appropriators will have the benefit of reviewing two-and-a-half years of diligent work by the Alabama Opioid Overdose and Addiction Council to determine the State’s greatest needs.

Cardinal and Cencora will also be responsible for paying fees and costs for the State’s counsel, allowing the State to direct the entirety of the settlement funds to opioid abatement.

This settlement is the latest action Attorney General Marshall has taken to combat the opioid crisis and to hold accountable those responsible for creating and fueling the crisis. Prior to this settlement, the State had already reached settlements totaling over \$500 million for Alabama to resolve claims against drug manufacturers and other entities over their roles in the crisis. In November, Attorney General Marshall sent a letter to local leaders statewide emphasizing the importance of implementing long-term strategies and warning that any non-approved allocations of settlement dollars could cost the State future payments from the opioid defendants.

