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FOR IMMEDIATE RELEASE

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Attorney General Ellison, states reach \$26B agreement with major opioid manufacturer, distributors

Agreement to potentially bring more than \$300M to Minnesota over 18 years for opioid epidemic treatment and prevention; also requires data transparency, industry changes to ensure crisis never happens again

July 21, 2021 (SAINT PAUL) — Minnesota Attorney General Keith Ellison today joined a large multistate coalition in announcing a historic \$26 billion agreement with major opioid manufacturer Johnson & Johnson and the nation’s three major pharmaceutical distributors — Cardinal, McKesson, and AmerisourceBergen — that will bring much-needed relief to communities in Minnesota and across the country that have been devastated by the opioid crisis.

Minnesota’s share of this agreement could be as much as \$337 million over 18 years, with significant payments frontloaded in the first five years. The spending of State of Minnesota funds from the agreement will be overseen by the State’s [Opioid Epidemic Response Advisory Council](#).

The agreement also requires data transparency and significant industry changes that will help prevent this type of crisis from ever happening again. The agreement would resolve investigations and claims against these companies of the nearly 4,000 states and local governments across the country that have filed lawsuits in federal and state courts.

“There is no amount of money that can ever make up for the death and destruction these companies caused in the pure pursuit of profit. No amount of money can bring back the nearly 5,000 lives we lost in Minnesota or fully restore the communities devastated in every part of our state,” Attorney General Ellison said. “But it is still critically important to hold these companies financially accountable for their role in creating and

extending the opioid crisis, and this agreement does that and more. I'm especially pleased it requires them to turn over data that will help us learn what they did to us, and puts in place controls to ensure that they can never do it again. I will continue to fight to make transparency part of any and all future agreements with opioid companies.

"We have worked hard for many years to secure this agreement. I await the final terms, but assuming they are acceptable, I encourage every Minnesota community to sign onto this agreement so that we can continue the process of healing and accountability," Attorney General Ellison concluded.

Following today's agreement, states have 30 days to sign onto the deal and local governments in the participating states will have until January 1, 2022 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.

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 payments 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.

Human toll of the opioid crisis

In 2020 alone, opioid overdose [deaths](#) nationally rose to a record 93,000, a nearly 30 percent increase over the prior year. According to the [Minnesota Department of Health Drug Overdose Dashboard](#), 4,821 Minnesotans died of opioid overdoses from 2000-19. The crisis is far from over today: [preliminary reports show 654 opioid-involved deaths in Minnesota in 2020, a 59% increase from 2019](#). Emergency room visits for opioid-involved overdoses increased from 1,618 in 2016 to 3,990 in 2020. Native Americans in Minnesota are seven times more likely than white people to die of a drug overdose, and African Americans are twice as likely.

Fifth Minnesota resolution with opioid companies, all including transparency

Today marks the fifth time that Minnesota has reached agreement with opioid companies to hold them accountable for their role in creating and perpetuating the devastating opioid epidemic. All of the agreements reached so far have included the disclosure of documents or data. Attorney General Ellison has been a leader in the fight for transparency in agreements with opioid companies.

- On **July 7, 2021**, [Minnesota resolved its lawsuit against Purdue Pharma and the Sackler family that controlled Purdue](#) in a multistate agreement that will make public tens of millions of documents related to Purdue’s role in the deadly opioid crisis. It also requires the Sacklers personally to pay \$4.325 billion over nine years for prevention, treatment, and recovery efforts in communities across the country, in one of the largest amounts that individuals have paid to resolve a law enforcement action in U.S. history. Minnesota’s share of those payments is expected to exceed \$50 million over nine years.
- In **February 2021**, [Minnesota settled an investigation against consulting firm McKinsey](#) related to the firm’s role in helping Purdue “turbocharge” opioid sales. As a result of that settlement, McKinsey will pay almost \$8 million to Minnesota to fund abatement efforts. As part of the settlement, McKinsey is required to publicly disclose documents detailing its work for opioid companies.
- In **October 2020**, [Minnesota was part of a multistate settlement with opioid manufacturer Mallinckrodt](#) that requires Mallinckrodt to put \$1.6 billion into a trust that will be disbursed over a period of seven years to all the states and jurisdictions once it emerges from bankruptcy. In addition, MNK will stop marketing its opioids and will put systems in place to prevent opioid misuse. Significantly, MNK will also publicly disclose internal documents that show how it misrepresented the risks and benefits of opioids and failed to curtail problematic orders for its opioid products, among

other things.

- In **January 2020**, [Minnesota was part of a multistate plan that liquidated opioid manufacturer Insys Therapeutics, Inc.](#) in federal bankruptcy court. Along with Purdue Pharma, Insys was one of two manufacturers of highly addictive opioids that the Attorney General's Office sued. The plan requires public disclosure of millions of Insys's internal documents related to its marketing of the opioid Subsys, and provides monetary relief to states, local governments, and tribes.

State negotiations of today's agreement were led by North Carolina Attorney General Josh Stein, a Democrat, and Tennessee Attorney General Herbert Slatery, a Republican, and a bipartisan executive committee comprised of the attorneys general from California, Colorado, Connecticut, Delaware, Florida, Georgia, Louisiana, Massachusetts, New York, Ohio, Pennsylvania, and Texas.

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