

US opioid epidemic: drug companies reach \$260m settlement

Four firms avert federal trial, with Walgreens Boots Alliance now the sole defendant

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Four large drug companies reached a last-minute \$260 million (€233 million) legal settlement over their role in the US opioid addiction epidemic, averting the first federal trial, which was scheduled to start on Monday morning in Cleveland, Ohio.

The settlement covers drug distributors AmerisourceBergen, Cardinal Health and McKesson and Israel-based drugmaker Teva Pharmaceutical Industries, and ends lawsuits by two Ohio counties.

Hunter Shkolnik, an attorney for the counties, said Teva was paying \$20 million in cash and would contribute \$25 million worth of Suboxone, an opioid addiction treatment.

On Friday, talks with the same defendants collapsed, which were aimed at reaching a broader \$48 billion settlement covering thousands of lawsuits filed by counties, towns and states from across the country over the crisis.

The judge overseeing Monday's trial said he would work out a new trial date for the remaining defendant, pharmacy chain operator Walgreens Boots Alliance Inc.

A sixth defendant, the smaller distributor Henry Schein, said on Monday it was dismissed as a defendant from the trial after agreeing to a deal for around \$1.25 million.

Monday's trial was scheduled to pit Cuyahoga and Summit counties against the companies over allegations that they helped fuel a nationwide opioid crisis. Some 400,000 US overdose deaths between 1997 and 2017 were linked to opioids, according to government data.

Bellwether trial

The trial was a so-called bellwether or test trial that was meant to help shape a broader settlement of some 2,600 pending US lawsuits over opioids.

Monday's settlements add to deals worth \$66.4 million that the two counties earlier struck with drug companies Mallinckrodt, Endo International, Johnson & Johnson and Allergan – three of them Irish-domiciled companies.

The judge overseeing the case, Dan Polster, urged the parties to continue towards a broader deal covering all the lawsuits

“I did not encourage a settlement of this case only,” Judge Polster said in court on Monday.

Friday's settlement talks broke down in part because of tension between state attorneys general, whose cases are not before Judge Polster, and the local government cases consolidated in Cleveland.

Attorneys general were supportive of a deal in recent settlement talks that Mr Shkolnik rejected on Monday as “a bargain basement settlement” for “pennies on the dollar”.

The lawsuits accuse drug makers of overstating the benefits of opioids while downplaying the risks. Distributors allegedly failed to flag and halt a rising tide of suspicious orders, shipping vast amounts of the pills across the country.

Drugmakers have denied wrongdoing, arguing their products carried US Food and Drug Administration-approved labels that warned of the addictive risks of opioids. They say they did not cause the terrible toll the epidemic has had on states and localities.

Distributors have said they made up only “one component of the pharmaceutical supply chain” and their role was to make sure medicines prescribed by licensed doctors were available for patients. – Reuters

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