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PRESS RELEASE

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Attorney General Frosh Statement on Proposed \$26 Billion Settlement with Opioid Distributors/Manufacturer

BALTIMORE, MD - Maryland Attorney General Brian E. Frosh today announced a historic \$26 billion settlement proposal in connection with his and other states' ongoing investigations of the three largest opioids distributors in the United States - Cardinal Health, McKesson, and AmerisourceBergen - and Johnson & Johnson, an opioids manufacturer. The proposal could bring as much as \$485 million to Maryland and its local subdivisions to help address the devastating opioid epidemic. It will require significant reform of industry practices to help prevent this type of crisis from happening again.

Maryland and other states have been investigating allegations that these companies engaged in a variety of illegal promotional activities, which helped create the opioid crisis, while distributing many more drugs than warranted for legitimate medical purposes. The proposed agreement is not yet final.

“While this settlement cannot undo the harm suffered by millions of Americans who have been hurt by the opioid epidemic, it is a very important step forward,” said Attorney General Frosh. “We hope and anticipate that this proposed agreement will bring relief for many thousands of Maryland families who continue to suffer the devastating consequences of opioid addiction.”

The settlement would resolve the claims of participating states and local governments across the country. Following today's announcement, 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.

Funding Overview of the Proposal:

- The three distributors collectively would pay up to \$21 billion over 18 years.
- Johnson & Johnson would pay up to \$5 billion over 9 years with up to \$3.7 billion paid during the first three years.

- The total funding distributed would 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.

Injunctive Relief Overview:

- The 10-year agreement would result in court orders requiring Cardinal, McKesson, and AmerisourceBergen to:
 - o 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.
 - o Use data-driven systems to detect suspicious opioid orders from customer pharmacies.
 - o Terminate customer pharmacies' ability to receive shipments, and report those companies to state regulators, when they show certain signs of diversion.
 - o Prohibit shipping of and report suspicious opioid orders.
 - o Prohibit sales staff from influencing decisions related to identifying suspicious opioid orders.
 - o Require senior corporate officials to engage in regular oversight of anti-diversion efforts.
- The 10-year agreement would result in court orders requiring Johnson & Johnson to:
 - o Stop selling opioids.
 - o Not fund or provide grants to third parties for promoting opioids.
 - o Not lobby on activities related to opioids.
 - o Share clinical trial data under the Yale University Open Data Access Project.

Tragically, just last year, opioid overdose deaths rose to a record 93,000 across the country, a nearly 30 percent increase over the prior year. In Maryland, on average more than six residents die from opioids overdoses each day. Last year, 2,518 Marylanders died from overdoses. From 2007 to 2019, more than 17,000 Marylanders lost their lives to opioid overdoses. Many, many more have seen their lives torn apart by the disease of addiction. The damage also harms families and friends and the broader communities that suffer the consequences.

<https://www.marylandattorneygeneral.gov/press/2021/072121.pdf>