

July 21, 2021

ATTORNEY GENERAL RAOUL ANNOUNCES \$26 BILLION AGREEMENT WITH OPIOID DISTRIBUTORS AND MANUFACTURER JOHNSON & JOHNSON

Chicago — Attorney General Kwame Raoul today announced a historic \$26 billion agreement that will, if finalized, help bring desperately-needed relief to people and communities in Illinois and 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 happening again. The agreement would resolve investigations and litigation over the companies’ roles in creating and fueling the opioid epidemic.

“The time has come to resolve the cases against companies that contributed to and fueled the opioid epidemic, and we must ensure that resources are distributed in communities hit hardest,” Raoul said. “I have been steadfast in my commitment to reaching a resolution that holds companies accountable for their actions and helps families and communities recover from the devastation the epidemic left behind. I am pleased with the agreement reached by our coalition, and I will continue working to make sure Illinois receives funding to help us abate the opioid crisis.”

The agreement would resolve the claims of 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 Illinois will be signing on to the settlement, making local governments eligible to participate. If the agreement is finalized nationwide, Illinois – if there is full participation by all local governments – will receive approximately \$790 million.

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 is a result of investigations by state attorneys general into whether the three distributors unlawfully failed to refuse to ship opioids to pharmacies that submitted suspicious drug orders, and engaged in deceptive and unfair conduct in violation of state law. Raoul and the attorneys general also investigated whether Johnson & Johnson marketed its opioid products in a deceptive and unfair manner and engaged in other fraudulent and unfair conduct in the sale of opioids.

Just last year, opioid overdose [deaths](#) nationwide rose to a record 93,000, a nearly 30% increase over the prior year. According to the Illinois Department of Public Health, opioid overdose deaths in Illinois increased by 36% in the first three quarters of 2020 over the same period in 2019. Overall, over 15,000 Illinois residents were killed by opioid overdoses from 2008 through 2019. In addition, opioid overdoses have resulted in thousands of emergency room visits, hospital stays and immeasurable pain suffered by families and communities.

Raoul urges anyone who believes they or a loved one may be addicted to opioids to seek help by calling the Illinois Helpline for Opioids and Other Substances at [833-2FINDHELP](tel:833-2FINDHELP), which operates 24 hours a day, seven days a week.

Consumer Protection Division Chief Susan Ellis; Executive Deputy Attorney General Adam Braun and Assistant Chief Deputy Attorney General Thomas Verticchio are handling the case with Health Care Bureau Deputy Chief Judith Parker and Special Litigation Bureau Deputy Chief Darren Kinkead; as well as Assistant Attorneys General Lauren Barski, Andrea Law and Jennifer Crespo.