

## US opioid epidemic

# Opioid companies head off bellwether trial with \$260m settlement

Teva and distributors' deal came as first federal trial on US addiction crisis was due to open

Hannah Kuchler in New York 2 HOURS AGO

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Drugmaker Teva Pharmaceuticals and three distributors of opioid painkillers reached a settlement with two US counties over their alleged role in the opioid addiction crisis on Monday, just moments before the start of what would have been a [bellwether trial](#) — but they have so far failed to reach a broader agreement with the thousands of other US local authorities pursuing the companies.

Distributors Cardinal Health, McKesson, and AmerisourceBergen, as well as Teva, agreed a settlement worth \$260m with two Ohio counties, according to people familiar with the matter. After last-minute talks, the deal headed off the first federal trial related to the opioid epidemic that was due to open in Cleveland on Monday.

“The proposed settlement will make significant progress to abate the epidemic by providing resources for and applying funds directly to necessary opioid-recovery programs,” said lawyers for the counties of Summit and Cuyahoga.

“Throughout this process, Summit and Cuyahoga Counties have tirelessly investigated, litigated, and prepared for the bellwether trial that would have begun today if not for this agreement. In doing so, the communities revealed facts about the roles of the opioid industry that created and fuelled the opioid epidemic.”

Shares in the three distributors fell close to 4 per cent shortly after markets opened in New York, while shares in Teva rose 1.5 per cent to \$7.65. The companies did not respond to requests for comment.

Mass litigation with over 2,700 plaintiffs — cities and counties from across the US — will continue, bringing claims, including public nuisance, conspiracy and racketeering, against the defendants involved in the production and distribution of opioids. The defendants deny responsibility for the crisis.

Opioid makers are also facing litigation from [US states](#), as governments try to cover large healthcare and law enforcement bills resulting from the crisis. The Center for Disease Control has said 2m Americans are suffering from opioid use disorder.

Four state attorneys-general involved in those talks — from North Carolina, Tennessee, Pennsylvania and Texas — said the Ohio counties' deal was an “important step” towards a

framework for a global settlement, which would distribute funds to combat the crisis and ensure companies change their business practices to prevent a similar public health crisis from happening again.

Monday's court-steps deal comes after many of the original defendants settled in the weeks before the trial. Pharmaceutical companies Endo International settled both cases for \$10m, Johnson & Johnson for \$20m and Mallinckrodt for \$30m.

But pharmacy chain Walgreens, part of Walgreens Boots Alliance, has not settled. The judge will now set a new schedule for its trial.

“Walgreens never manufactured prescription opioid medications. Walgreens never marketed or promoted opioid medications. Walgreens never prescribed any opioid medications. Walgreens was not a wholesaler of opioid medications,” a spokesperson for the chain said. “The only place Walgreens ever sold medications of any kind, including opioid medications, was at the pharmacy window when presented with a valid prescription written by a licensed physician for a legitimate medical need.”

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