

September 30, 2022

ATTORNEY GENERAL'S OFFICE AND DEPARTMENT OF HUMAN SERVICES CONVENE FIRST MEETING OF ILLINOIS OPIOID REMEDIATION ADVISORY BOARD

Raoul's Office Appointed Members to Board that will Make Recommendations for Allocating Settlement Funds to Effectively and Equitably Combat Opioid Epidemic in Illinois

Chicago — Attorney General Kwame Raoul's office, along with the Illinois Department of Human Services (IDHS) today convened the first meeting of the Illinois Opioid Remediation Advisory Board. The board will give recommendations to the Governor's Opioid Overdose Prevention and Recovery Steering Committee on spending funds from national opioid settlements on opioid abatement programs.

"The creation of this board marks an important milestone – the beginning of the state putting funds received through opioid settlements toward combating and mitigating the impact of the ongoing opioid crisis in Illinois," Raoul said. "The devastation to families and communities is why my administration is committed to holding entities that contributed to the opioid epidemic accountable. Key to that is obtaining resources from these entities to abate the opioid crisis and ensuring settlement funds are distributed equitably, so victims receive the help they need. I am proud that the Illinois Opioid Remediation Advisory Board reflects the regional and racial diversity of our state."

Prior to today's meeting, members of the advisory board were appointed by the Attorney General's office in consultation with the IDHS and state's attorneys across Illinois. The advisory board was established by the [Illinois Opioid Allocation Agreement](#) that the Attorney General reached with counties and municipalities throughout Illinois. The agreement is intended to ensure that resources from settlements are allocated equitably to counties and municipalities.

Under the agreement, all Illinois counties and eligible municipalities can receive a direct distribution of funds from current and future settlements. In addition to these direct distributions of money, the agreement allocates opioid settlement money to the state Remediation Fund. In July 2021, the Attorney General's office announced a [multistate settlement](#) with the country's three major pharmaceutical distributors and Johnson and Johnson. For their roles in the opioid crisis, these companies agreed to pay \$26 billion, of which Illinois will receive approximately \$760 million over 18 years.

Illinois is also part of a [national settlement](#) against the pharmaceutical manufacturer Mallinckrodt. Illinois' share will be approximately \$36 million over nine years, and payments are expected to start this year.

In the summer, Attorney General Raoul announced that the state had reached [agreements in principle](#) with manufacturers Teva and Allergan that, when finalized, will bring as much as \$6.6 billion of additional relief to states and local governments nationwide.

Illinois Opioid Remediation Advisory Board members are:

- Dr. Adrienne Adams, Medical Director at Rosecrance Griffin Williamson
- Dr. Allison Arwady, Commissioner of the Chicago Department of Public Health
- Karen Ayala, Executive Director of the DuPage County Health Department
- Chelsea Laliberte Barnes, Nonprofit Consultant and Leadership Coach at CLB Strategies, and Co-Founder and Board Co-Chair of Live4Lali
- Eddy Borrayo, President and CEO of Rincon Family Services

- Ryan Brauns, Senior Consultant at Rockford Consulting & Brokerage
- Blanca Campos, CEO of Community Behavioral Healthcare Association of Illinois
- Jud DeLoss, CEO of Illinois Association for Behavioral Health
- Jeffrey Carl Ewing, Principal of Monmouth-Roseville High School
- Dr. Bernice Gordon-Young, Founder and President of It Takes a Village–Peoria and Licensed Clinical Professional Counselor (LCPC)
- Angie Hampton, CEO of Egyptian Public and Mental Health Department
- Joel K. Johnson, President and CEO of Treatment Alternatives for Safe Communities (TASC)
- Laura Lechowicz, Special Legal Counsel at the Cook County Board President’s Office
- Dana Rosenzweig, Executive Director of St. Clair County Mental Health Board
- Dr. Kathy Yoder, McLean County Coroner
- Kevin Zeigler, Peer Health Navigator and Team Lead at Thresholds



February 25, 2022

ATTORNEY GENERAL RAOUL ANNOUNCES FINAL APPROVAL OF \$26 BILLION NATIONAL OPIOID SETTLEMENT AGREEMENT

Illinois to Receive Approximately \$760 Million to Abate Impact of the Opioid Epidemic

Chicago — Attorney General Kwame Raoul today announced final approval of the historic national \$26 billion opioid settlement agreement with the nation’s three major pharmaceutical distributors – Cardinal, McKesson and AmerisourceBergen – and one manufacturer, Johnson & Johnson. Following successful state and local government subdivision sign-on periods, the companies will start releasing funds to a national administrator on April 2, 2022. States and local governments will start receiving funds during the second quarter of 2022.

“This historic agreement is the result of years of tireless work by attorneys in my office, and I am pleased that Illinois will soon receive hundreds of millions of dollars from the pharmaceutical distributors and manufacturers that funneled high volumes of addictive opioids into our communities,” Raoul said. “From the start, I have prioritized securing resources to abate the impact the opioid epidemic has had throughout Illinois. I am committed to ensuring the money we secured through the settlement is distributed equitably to fund critical recovery and treatment programs in the counties and municipalities with the most urgent need.”

The historic agreement marks the culmination of three years of negotiations to resolve more than 4,000 claims of state and local governments across the country. It is the second largest multistate agreement in U.S. history, second only to the Tobacco Master Settlement Agreement. Illinois is one of 52 states and territories that have joined the agreement, along with thousands of local governments across the country. In Illinois, 94 out of 102 counties have signed onto the agreement. In addition, 104 out of 113 Illinois municipalities that are eligible to receive a direct distribution from the settlements have joined. In total, more than 290 Illinois government subdivisions have joined the settlements. Because Attorney General Raoul’s office was able to produce a significant percentage of government subdivisions’ participation, Illinois is eligible to receive its full share of approximately \$760 million.

Attorney General Raoul’s office negotiated the Illinois Opioid Allocation Agreement to ensure the funds Illinois received through this and any future settlements are allocated equitably to counties and municipalities. The majority of Illinois’ money will go to the Illinois Remediation Fund to be used for abatement programs throughout the state. An advisory board will be established as a subcommittee of the state’s Opioid Overdose Prevention and Recovery Steering Committee to make recommendations that prioritize the equitable distribution of the money in the Fund. The board will consider factors including population, opioid usage rates, overdose deaths and the amount of opioids shipped into a region.

“I am proud to have fought with Attorney General Raoul and officials across the State to hold drug manufacturers and distributors accountable for the opioid crisis,” Cook County State’s Attorney Kim Foxx said. “This is a victory for the residents of Cook County. The settlement will give more tools to law enforcement and other first responders, will target key groups such as pregnant women and incarcerated persons, and will help us continue to address opioid dependency as the public health issue that it is.”

“I thank Attorney General Raoul for his commitment to the future wellbeing of our state” DuPage County State’s Attorney Bob Berlin said. “In addition to the immediate and future financial relief offered by this settlement, manufacturers and distributors of these dangerous narcotics will see a dramatic change in the way they conduct business going forward. For years, these companies profited from dubious ordering processes and questionable marketing. Those days are over and the time to begin healing is now. Once in place, these changes will provide enforceable, stringent rules and regulations regarding the sale and distribution of these dangerous narcotics.”

"The opioid epidemic has negatively affected all of our communities. I am grateful for the leadership shown by Attorney General Kwame Raoul and my fellow State's Attorneys in proactively combatting this situation. I would further thank former Kane County State's Attorney Joseph McMahon for beginning this fight on behalf of the people of Kane County. I also appreciate the assistance of attorneys Pete Flowers and Mike Lenert and their attorneys and staff at Meyers and Flowers in St. Charles and the Kane County Civil Division," Kane County State's Attorney Jamie Mosser said. "This money will help our county fund the proven programs that help break the cycle of addiction. Sheriff Ron Hain and I have focused on creating law enforcement and prosecution-led diversion programs to steer individuals towards treatment and out of the criminal justice system. This is a momentous first step, but it is a needed one in our fight to end the destruction opioids have created and to save lives."

"This is an important day for Lake County and for all of Illinois. This settlement will help us move forward in fighting this public health crisis that has impacted all communities regardless of location, race, or economics. Local organizations like the Lake County Opioid Initiative have been doing everything they can to save lives and to re-build communities," Lake County State's Attorney Eric Rinehart said. "Now, because of the Attorney General's work and this influx of dollars, we can support government and non-governmental efforts in Lake County to turn back the short-term and long term impacts of this epidemic in every corner of the county."

Johnson & Johnson is required 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.

In addition to providing funds, Cardinal, McKesson and AmerisourceBergen will:

- 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 deficiencies in the current systems used by distributors.
- Use data-driven systems to detect suspicious opioid orders from customer pharmacies.
- Terminate customer pharmacies' abilities 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.

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, Deputy Health Care Bureau Chief Andrea Law and Assistant Chief Deputy Attorney General Thomas Verticchio are handling Raoul's opioid litigation with Health Care Bureau Chief Judith Parker; Special Litigation Bureau Deputy Chief Darren Kinhead; as well as Assistant Attorney General Jennifer Crespo and Amanda Palmer.

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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.

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June 16, 2022

ATTORNEY GENERAL RAOUL ANNOUNCES OVER \$230 MILLION SETTLEMENT WITH PHARMACEUTICAL MANUFACTURER
Settlement Resolves Allegations Mallinckrodt Underpaid Medicaid Drug Rebates

Chicago — Attorney General Kwame Raoul today announced a more than \$233 million bipartisan national settlement with Mallinckrodt ARD, LLC (formerly known as Questcor Pharmaceuticals Inc.), which is a U.S. subsidiary of the Irish pharmaceutical company Mallinckrodt PLC (MNK). Illinois will receive more than \$3.1 million as part of the settlement, which includes all 50 states, Washington D.C., Puerto Rico and the federal government.

MNK sells and markets pharmaceutical products throughout the country and its U.S. headquarters are located in Bedminster, New Jersey. Raoul and the government agencies allege that MNK violated the Federal False Claims Act, which resulted in the submission of false claims to Illinois' Medicaid program.

"At a time when high prescription drug prices force many Americans to choose between the medications they require and other necessities, it is inexcusable that pharmaceutical manufacturers intentionally abuse programs relied on by some of our most vulnerable residents," Raoul said. "This settlement holds Mallinckrodt accountable for submitting false claims to Illinois' Medicaid program and sends a message that Medicaid fraud will not be tolerated."

"It is irresponsible when a drug manufacturer defrauds a program designed to provide medical and personal care services to individuals with limited resources," said Illinois State Police Director Brendan F. Kelly. "The Illinois State Police Medicaid Fraud Control Bureau is dedicated to investigating fraudulent behavior so that those responsible are held accountable for their actions."

The settlement resolves allegations that between Jan. 1, 2013 and June 30, 2020, MNK knowingly underpaid Medicaid rebates due for its drug, H.P. Acthar Gel (Acthar). The Medicaid Drug Rebate Program requires pharmaceutical manufacturers to pay the Medicaid program a per-unit rebate when the manufacturer increases a drug's price faster than the rate of inflation. That rebate should amount to the difference between the drug's current price and the price if it had increased at the general rate of inflation since 1990 or the year the drug first came to market, whichever is later.

Raoul and the government allege that although Acthar was first introduced to the market in 1952, MNK and its predecessor Questcor began paying rebates for Acthar in 2013 – as if Acthar was a new drug just approved by the U.S. Food and Drug Administration (FDA). By doing so, the companies essentially ignored all pre-2013 price increases when calculating and paying Medicaid rebates for Acthar from 2013 until 2020. By 2013, Acthar's price had already risen to over \$28,000 per vial. Raoul and the government allege that ignoring all pre-2013 price increases for Medicaid rebate purposes significantly lowered Medicaid rebate payments for Acthar.

Under the settlement agreement, MNK admits that Acthar was actually approved by the FDA and marketed prior to 1990 – and was not a new drug in 2013. MNK also agrees to correct Acthar's base date average manufacturer price and to not change the date in the future.

As part of the settlement, Illinois is receiving more than \$3.1 million in eight installments, the first of which the state received today. The funding will be distributed according to the Illinois False Claims Act with one-sixth of the funds paid to the Attorney General Whistleblower Reward and Protection Fund, and one-sixth paid to the Illinois State Police Whistleblower Reward and Protection Fund. Additional payments will be made to the whistleblowers in the lawsuit, with any remaining funds going to the state's General Revenue Fund.

The Illinois State Police, Medicaid Fraud Control Bureau receives 75% of its funding from the U.S. Department of Health and Human Services under a grant award totaling \$8,922,172 for federal fiscal year (FFY) 2021. The remaining 25%, totaling \$2,974,057 for

FFY 2021, is funded by the state of Illinois.

Today's settlement is the result of a whistleblower lawsuit originally filed in the U.S. District Court for the District of Massachusetts. The federal government, 26 states, the District of Columbia and Puerto Rico intervened in the civil action in 2020. The settlement, which is based on MNK's financial condition, required final approval of the U.S. Bankruptcy Court for the District of Delaware, which approved the settlement on March 2.

Deputy Bureau Chief Elisa Hamilton and Assistant Attorney General Melissa Guske handled the case for Raoul's Medicaid Fraud Bureau.

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