

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 Kinkead; as well as Assistant Attorney General Jennifer Crespo and Amanda Palmer.