

July 26, 2022

ATTORNEY GENERAL RAOUL ANNOUNCES MULTIBILLION DOLLAR NATIONAL AGREEMENT WITH OPIOID MANUFACTURER TEVA

Preliminary Agreement Would Provide \$4.25 Billion in Resources to Address Opioid Crisis

Chicago — Attorney General Kwame Raoul, as part of a bipartisan group of attorneys general, today announced an agreement in principle with opioid manufacturer Teva that would provide up to \$4.25 billion in total funding and resources to participating states and local governments to assist in battling the opioid epidemic. While key details of the settlement remain the subject of ongoing negotiations, Teva disclosed the financial terms in its earnings announcement today.

“Key to our continuing efforts to address the opioid epidemic in Illinois is advocating for resources to help our state remediate the devastation caused by the opioid epidemic,” Raoul said. “Since taking office, I have worked to secure resources our communities need to address this epidemic head-on while also holding companies responsible for their roles in the crisis. I will continue to work across state lines and on a bipartisan basis to help Illinois remediate and recover from the opioid crisis.”

According to Raoul and the coalition, Teva promoted potent, rapid-onset fentanyl products for use by non-cancer patients, deceptively marketed opioids by downplaying the risk of addiction and overstating their benefits. In fact, Raoul and the coalition said Teva encouraged the idea that signs of addiction are actually “pseudoaddiction,” which should be treated by prescribing more opioids. The coalition also said Teva failed to comply with suspicious order monitoring requirements along with its distributor, Anda.

Teva manufactures the branded fentanyl products Actiq and Fentora, as well as generic opioids including oxycodone.

Under the preliminary agreement announced today, Teva would pay a maximum of \$4.25 billion in cash over 13 years. This amount includes settlements the company has already agreed to with individual states, funds for participating states and subdivisions, and \$240 million in cash in lieu of product. As part of the financial terms, Teva will provide states with either up to \$1.2 billion worth of generic naloxone (valued at wholesale acquisition cost) over a 10-year period or \$240 million in cash in lieu of the product, depending on what each state’s selects. Naloxone is an emergency drug used to treat opioid overdoses.

A final settlement remains contingent on agreement on critical business practice changes and transparency requirements.

The negotiations with Teva are being led by Attorney General Raoul with the attorneys general of California, Iowa, Massachusetts, New York, North Carolina, Pennsylvania, Tennessee, Texas, Vermont, Virginia and Wisconsin. While New York is among the 12 states that negotiated this proposed settlement framework, Teva and New York are still engaged in further negotiations.

Today’s announcement is part of Attorney General Raoul’s ongoing efforts to combat the opioid epidemic and hold accountable companies whose deceptive practices have increased opioid prescriptions at the expense of public health. Earlier this year, Raoul’s office negotiated the Illinois Opioid Allocation Agreement. The agreement is intended to ensure the approximately \$760 million Illinois will receive through the historic national \$26 billion opioid settlement agreement with the nation’s three major pharmaceutical distributors and Johnson & Johnson 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.

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.