

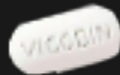


# Reversing the Opioid Epidemic

Strategies to Save Lives and Communities

# The Opioid **Epidemic**

The Centers for Disease Control and Prevention identifies three main types of opioids currently in use in the United States:



**Prescription Painkillers**

(Such as Hydrocodone and Vicodin)



**Fentanyl**



**Heroin**

# The Opioid **Epidemic**

**80%**

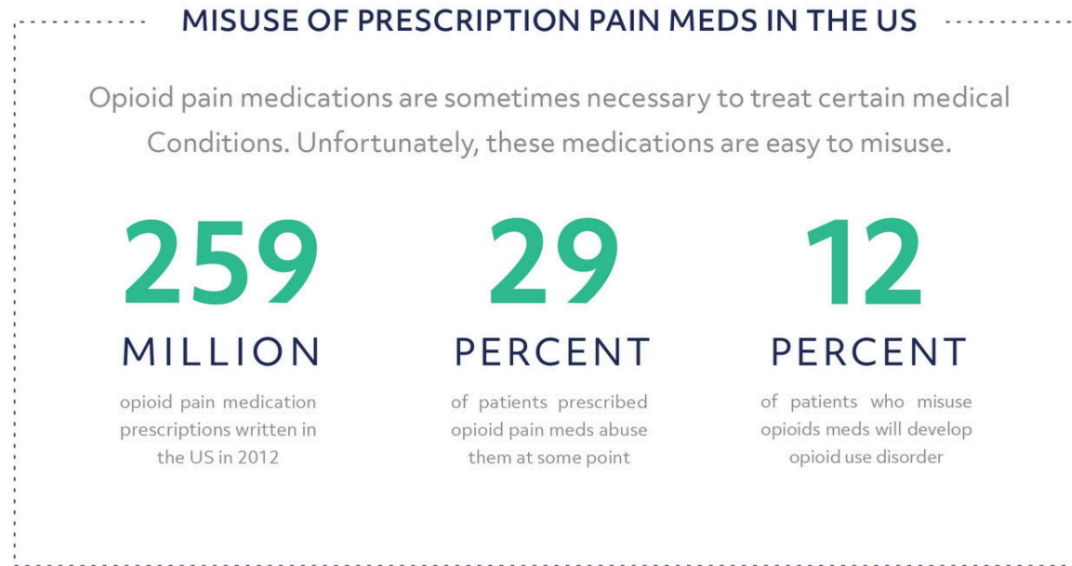
of heroin users started out  
using prescription opioids

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Source: *Opiates, Michigan And The Opioid Crisis: The Scope Of An Epidemic*, Workit Health (Sept. 7, 2017), <https://www.workithealth.com/blog/michigan-the-opioid-crisis-scope-of-epidemic>.

# The Opioid **Epidemic**

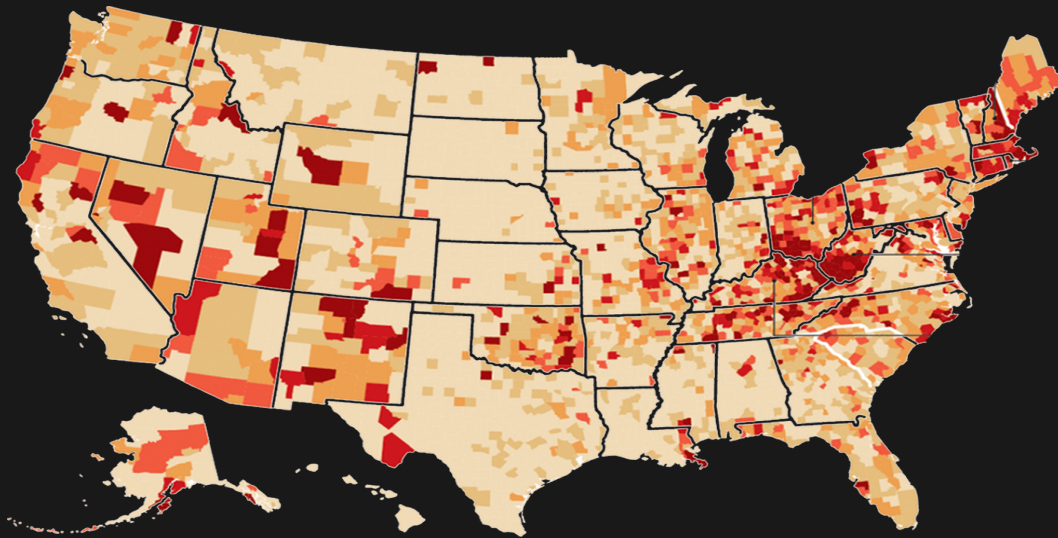
Prescription opioids—such as Oxycodone (OxyContin®) and Hydrocodone (Vicodin®)—are devastating the nation. **An American dies from an opioid overdose every sixteen minutes.** And prescription opioid overdose deaths in America now outnumber firearm homicides.



Source: *Opiates, Michigan And The Opioid Crisis: The Scope Of An Epidemic*, Workit Health (Sept. 7, 2017), <https://www.workithealth.com/blog/michigan-the-opioid-crisis-scope-of-epidemic>.

# The Opioid **Epidemic**

In addition to the pain caused to individuals and families affected by the epidemic, communities across the United States have shouldered real costs in trying to combat the epidemic.



Per 100,000 population



0 5 10 15 20 25

United States, overdose deaths involving opioids, by county (2015)

## 62,500

People die each year from opioid overdoses

## \$1 Trillion

Estimated economic cost of the opioid epidemic from 2001–2017

# The Opioid **Epidemic**

A recent study from Altarum estimated that in 2017, the economic burden of prescription opioid abuse in the United States exceeded **\$115 billion**, consisting of:

- Lost Productivity **\$66 Billion**
  - Employee absenteeism and presenteeism
  - Employee assistance programs
  - Job placement and unemployment dropout prevention
- Increased Health Care Costs **\$25 Billion**
  - Prescription costs
  - Medical costs associated with treating addiction, including clinics
  - Treatments for children of opioid addicts
  - Administrative burden for processing opioid-related claims
- Increased Criminal Justice Costs **\$9 Billion**
  - Increase in policing opioid-related crimes
  - Opioid-related crimes clogging court dockets and operation of drug court
  - Increased police and fire calls for opioid overdoses
  - First responder training, including on overdose reversal drugs
- Child and Family Assistance Programs **\$7 Billion**
- Education Programs **\$5 Billion**
- Miscellaneous **Unknown**

# The Impact on **Michigan**

## OPIOID USE DISORDER IN MICHIGAN

Michigan is one of the hardest-hit states when it comes to the nation's opioid epidemic.

**#10**

**RANKED**

Michigan's national ranking for the number of opioid pain med prescriptions

**#15**

**RANKED**

Michigan's national ranking for the number of drug overdose deaths

**67**

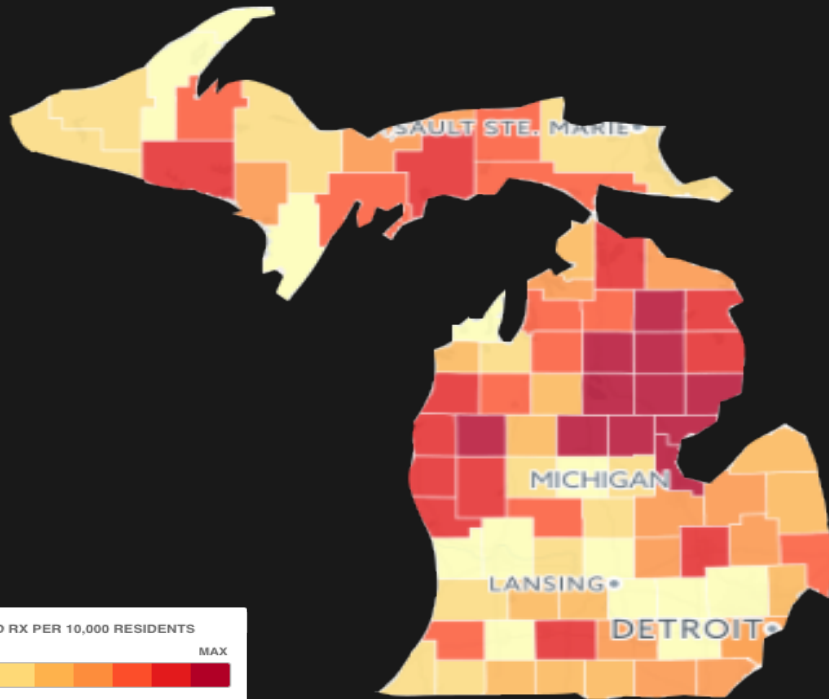
**PERCENT**

of drug overdose deaths in Michigan are attributed to opioids and heroin

Source: *Opiates, Michigan And The Opioid Crisis: The Scope Of An Epidemic*, Workit Health (Sept. 7, 2017), <https://www.workithealth.com/blog/michigan-the-opioid-crisis-scope-of-epidemic>.

# The Impact on **Michigan**

From 1999 to 2016, the total number of opioid-related overdose deaths increased more than 17 times, from 99 to 1,689 per year. In fact, in 2016, the amount of people who died of drug overdoses surpassed car accidents in the State of Michigan. Michigan is among the states with more opioid prescriptions than people.



## 11,400,000

In 2015, 11.4 million painkillers were prescribed. That's approximately 115 opioid prescriptions per 100 people in Michigan.

## 41%

Opioid prescriptions in Michigan increased 41% between 2009 and 2015.



## The Impact on **Michigan**

In August, police raided an “pill mill” in Dearborn, Michigan.

**Before it was shut down, it was estimated that 500,000 of the pills prescribed at the office—in January, alone—ended up on Michigan streets.**

Pill mills **must be shut down** as soon as possible for public safety. But they're only one of many culpable parties.

# The Corporations Accountable for the Opioid Epidemic

The following are the four primary categories of entities involved:



## Distributors

Liabe for pumping excess opioids into Michigan communities



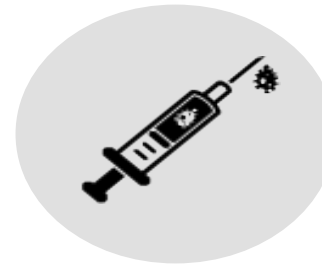
## Pharmacies

Liabe for systematically filling invalid opioid prescriptions



## Manufacturers

Liabe for lying about the safety, efficacy, and addictive nature of prescription opioids



## “Pill Mills”

Liabe for prescribing opioids for non-medical or unapproved purposes

# The Corporations Accountable for the Opioid Epidemic

## Common Manufacturers

### Purdue Pharma

- Principal place of business in Stamford, Connecticut
- Engaged in the manufacture, promotion, and distribution of OxyContin, MS Contin, Dilaudid, Dilaudid HP, Butrans, Hysingla ER, and Targiniq ER

### Janssen Pharmaceuticals (Johnson & Johnson)

- Pennsylvania corporation
- Principal place of business in Titusville, New Jersey
- Manufactures, sells, and distributes opioids, including Duragesic (fentanyl), Nucynta, and Nucynta ER

### Teva Pharmaceuticals (Cephalon)

- Delaware corporation
- Principal place of business in Frazer, Pennsylvania
- Manufactures, sells, and distributes opioids, including Actiq and Fentora

### Allergan PLC

- Public limited company
- Principal place of business in Dublin, Ireland
- Markets and sells opioids, including branded Kadian and Norco, and generic Duragesic and Opana

### Mallinckrodt PLC

- Public limited company
- Headquartered in the U.K. and St. Louis, Missouri
- Mallinckrodt LLC is a Delaware limited liability company
- Manufactures and sells generic Oxycodone

### Endo Health Solutions

- Delaware corporation
- Principal place of business in Malvern, Pennsylvania
- Manufactures, sells, and distributes opioids, including Opana ER, Opana, Percoden, and Percocet

# **The Corporations Accountable** for the Opioid Epidemic

## **Common Distributors**

### **McKesson Corporation**

- Delaware corporation
- Principal place of business in San Francisco, California
- 2016 revenues of \$190 billion

### **Cardinal Health Inc.**

- Ohio corporation
- Principal place of business in Dublin, Ohio
- 2016 revenues of \$130 billion

### **AmerisourceBergen Corporation**

- Delaware corporation
- Principal place of business in Chesterbrook, Pennsylvania
- 2016 revenues of \$135 billion

# **The Corporations Accountable** for the Opioid Epidemic

## **Common Pharmacies**

### **CVS Health**

- Delaware corporation
- Headquartered in Woonsocket, Rhode Island
- 2016 revenues of \$177 billion

### **Walgreens**

- Illinois corporation
- Principal place of business in Deerfield, Illinois
- 2016 revenues of \$117 billion

### **Rite Aid**

- Delaware corporation
- Principal place of business in Camp Hill, Pennsylvania
- 2016 revenues of \$30 billion

### **Walmart**

- Public limited company
- Headquartered in Bentonville, Arkansas
- 2016 (pharmacy) revenues of \$18.8 billion

# The **Litigation**

In an effort to clamp down on the epidemic, hundreds of lawsuits have been filed against opioid manufacturers and distributors seeking to hold them responsible for the costs incurred by communities nationwide.

While different cases have taken different approaches, the general facts and allegations are similar and fall into **two broad categories of claims:**



- Manufacturers have **engaged in fraudulent and deceptive practices** that have caused excessive opioid prescription rates



- Distributors **have engaged in negligent and/or intentional conduct leading to vast amounts of diversion** (*i.e.*, non-prescription sale and consumption) in the opioid supply chain

# The **Litigation**

Specific causes of action vary by case and by defendant category, but generally include:

- Violations of consumer protection statutes;
- Public nuisance claims;
- Negligence;
- Common law fraud;
- Unjust enrichment; and
- Violations of Medicaid Program Integrity laws.

In addition to counties, municipalities, and tribal entities, at least ten states have separately filed suits in different jurisdictions.

## THE MAJOR MANUFACTURERS

Purdue Pharma L.P.

Allergan, PLC (Watson Pharma)

Teva Pharmaceuticals Industries  
Ltd. (Cephalon)

Johnson & Johnson (Janssen Pharmaceuticals)

Endo Health Solutions

Mallinckrodt PLC

## THE MAJOR DISTRIBUTORS

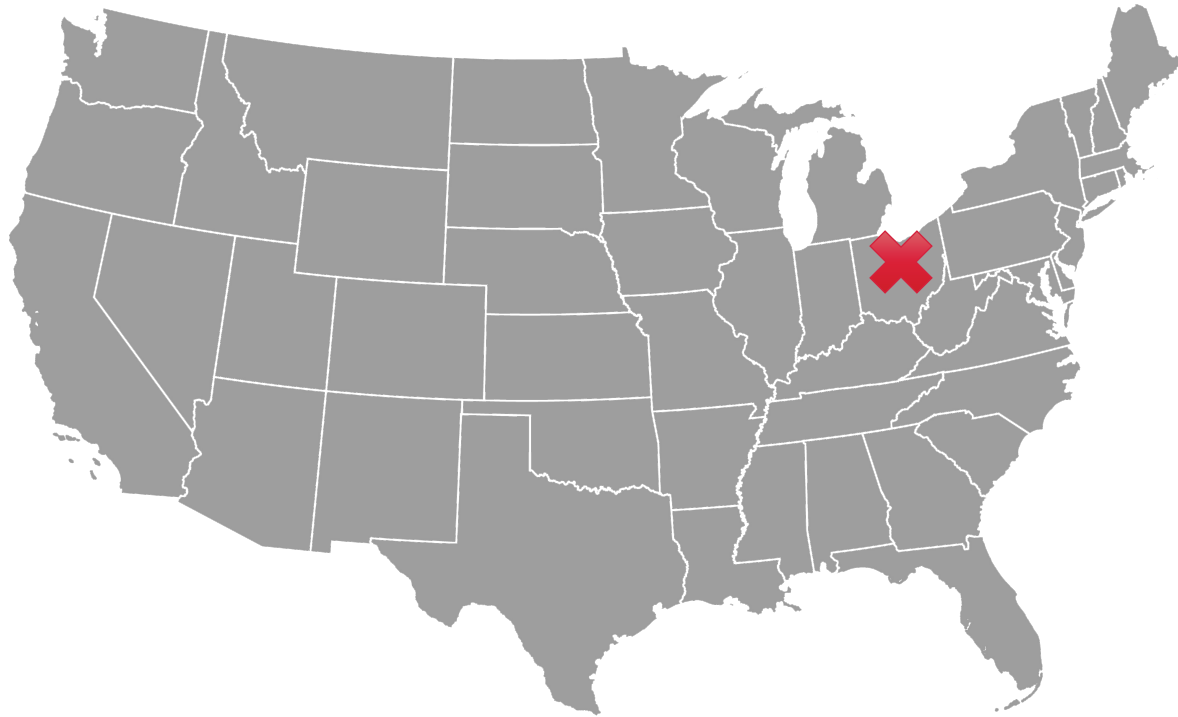
McKesson Corporation

Cardinal Health, Inc.

Amerisource Bergen Corp.

# The **Litigation**

Many pending federal actions were recently consolidated into an MDL in the Northern District of Ohio.



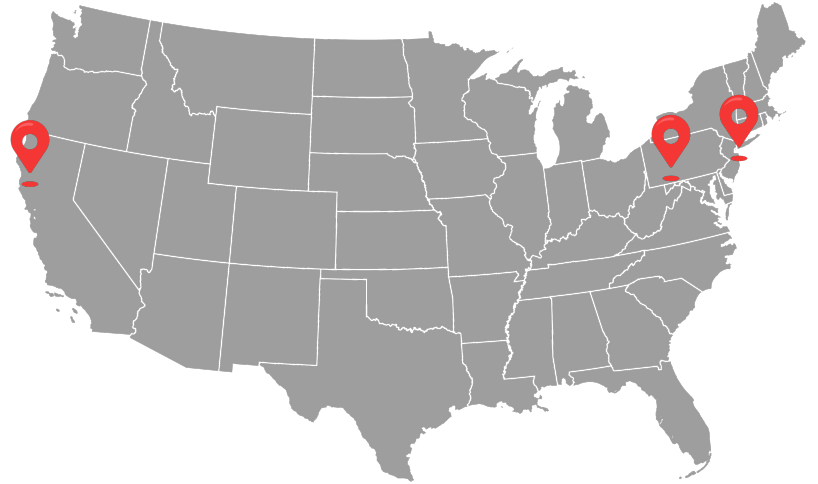


# The **Litigation**

## Federal vs. State Court



MDL



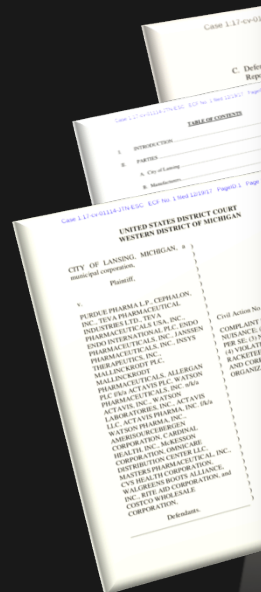
State-Court

# The Litigation

A number of Michigan cities and counties have already filed suit, including:

- Oakland County
- Wayne County
- City of Detroit
- City of Escanaba
- City of Lansing

Just because other Michigan communities have filed suit, doesn't mean your community is protected.



PURDUE PHARMA L.P., CEPHALON, INC., TEVA PHARMACEUTICAL INDUSTRIES LTD., TEVA PHARMACEUTICALS USA, INC., ENDO INTERNATIONAL PLC, ENDO PHARMACEUTICALS, INC., JANSSEN PHARMACEUTICALS, INC., INSYS THERAPEUTICS, INC., MALLINCKRODT PLC, MALLINCKRODT PHARMACEUTICALS, ALLERGAN PLC f/k/a ACTAVIS PLC, WATSON PHARMACEUTICALS, INC. n/k/a ACTAVIS, INC., WATSON LABORATORIES, INC., ACTAVIS LLC, ACTAVIS PHARMA, INC. f/k/a WATSON PHARMA, INC., AMERISOURCEBERGEN CORPORATION, CARDINAL HEALTH, INC., McKESSON CORPORATION, OMNICARE DISTRIBUTION CENTER LLC, MASTERS PHARMACEUTICAL, INC., CVS HEALTH CORPORATION, WALGREENS BOOTS ALLIANCE, INC., RITE AID CORPORATION, and COSTCO WHOLESALE CORPORATION,

Defendants.



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