

NEWS RELEASE

Released by: John M. Formella, Attorney General

Subject: Attorney General Formella Secures \$57 Million in Opioid Crisis Relief Funds from CVS and Walgreens

Date: December 28, 2022

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Concord, NH - Attorney General John M. Formella has joined a national attorneys general settlement totaling \$10.7 billion with CVS and Walgreens, resolving allegations that the companies contributed to the opioid crisis by failing to properly oversee the dispensing of opioids at their stores and bringing the national amount from investigations and litigation against the pharmaceutical industry for its role in the opioid crisis to more than \$50 billion. New Hampshire stands to receive nearly \$57 million from the CVS and Walgreens agreements.

“The opioid epidemic has devastated too many New Hampshire families,” said Governor Chris Sununu. “This significant settlement with Walgreens and CVS builds upon the important progress our New Hampshire Department of Justice has already achieved with previous settlements, but more importantly, it holds both companies responsible.”

"CVS and Walgreens flooded our communities with pills. No settlement will restore the lives impacted by the opioid addiction epidemic, but this agreement will help get treatment and recovery resources to impacted Granite Staters," said Attorney General Formella. "People trust their local pharmacies and these pharmacy chains failed to provide the people of New Hampshire with the pharmacy care and protection they had a right to expect. This agreement mandates significant changes to these pharmacy chains' business practices, including court-ordered monitoring to ensure checks that should have been in place will now be aggressively enforced."

Under the terms of the agreements, CVS has agreed to pay \$5 billion over 10 years and Walgreens has agreed to pay \$5.7 billion over 15 years. CVS and Walgreens will also be subject to court-ordered injunctive relief that requires the pharmacies to monitor, report, and share data about suspicious activity related to opioid prescriptions and to implement and maintain robust compliance departments and practices. These agreements follow a similar agreement with Walmart, which the AG announced earlier this month. Payments are expected to begin during the second half of 2023.

In July, the New Hampshire Department of Justice filed a civil lawsuit against several retail pharmacy chains, including CVS and Walgreens, following an investigation into the alleged overdistribution and dispensing of prescription opioids across the State of New Hampshire.

The law requires pharmacies to be diligent in distributing and dispensing controlled drugs, including highly addictive pain medications. New Hampshire's lawsuit alleged the defendant pharmacies helped to create the opioid epidemic by ignoring what should have been obvious red flags. The State alleged the defendant pharmacies flooded New Hampshire with more opioids than could be used for legitimate medical purposes. The State also alleged that the defendants filled and failed to report orders that they knew or should have known were likely being diverted, and they failed to maintain effective controls against diversion from their pharmacy retail stores, causing the community to suffer foreseeable harms. In doing so, the State alleged the defendants created a public nuisance in New Hampshire.

Opioids have caused more than 500,000 overdose deaths in the U.S. over the past two decades and in recent years opioid deaths have soared to record levels, around 80,000 a year nationwide, due to a continuing addiction wave now largely being fueled by fentanyl.

New Hampshire previously filed complaints against opioid manufacturers Purdue Pharma and Mallinckrodt. Both filed for bankruptcy protection. The Mallinckrodt bankruptcy plan, under which New Hampshire will receive payments, has been confirmed by the court. The Purdue bankruptcy plan is awaiting court confirmation. The opioid manufacturer Endo filed for bankruptcy earlier this year. Attorneys general reached a \$450 million pre-bankruptcy settlement in that case and the New Hampshire Attorney General's Office is participating in the on-going bankruptcy process. New Hampshire filed complaints against the major national opioid distributors (McKesson Corp, Cardinal Health, and Amerisource Bergen). Those cases were resolved when New Hampshire joined the attorneys' general multistate settlement under which New Hampshire will receive approximately \$115 million over 18 years. New Hampshire reached a \$40.5 million settlement with opioid manufacture Johnson & Johnson in early September. On December 14, 2022, the Attorney General announced the State was joining a settlement with Walmart under which the State will receive \$15.5 million in the next year. And, just last week Attorney General Formella joined a settlement with opioid makers Teva Pharmaceuticals and Allergan that will provide \$33.3 million to the state of New Hampshire.

By state law, all monies from opioid settlements are dedicated for opioid abatement projects throughout the state. Information about the Opioid Abatement Trust Fund and Advisory Commission can be found at: <https://www.dhhs.nh.gov/about-dhhs/advisory-organizations/nh-opioid-abatement-trust-fund-advisory-commission>.

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