



Josh Kaul
Wisconsin Attorney General

P.O. Box 7857
Madison, WI 53707-7857

NEWS FOR IMMEDIATE RELEASE

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Drug Distributors and Johnson & Johnson Commit to \$26 Billion Opioid Agreement

Wisconsin to Receive over \$400 Million to Fight the Opioid Crisis

MADISON, Wis. – Attorney General Kaul announced today the final approval of the \$26 billion opioid agreement with the nation’s three major pharmaceutical distributors – Cardinal, McKesson, and AmerisourceBergen – and Johnson & Johnson. Following successful state sign-on and subdivision sign-on periods, the defendants will start releasing funds to a national administrator on April 2, 2022. Money will start flowing to state and local governments in the second quarter of 2022.

“The hundreds of millions of dollars coming to Wisconsin as a result of this agreement will significantly strengthen Wisconsin’s ability to fight the opioid crisis,” said Attorney General Josh Kaul. “With these funds, communities across the state will be able to do more to prevent addiction and to support people with substance use disorder.”

The 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.

Fifty-two states and territories have signed on to the agreement as well as thousands of local governments across the country. All 87 of Wisconsin’s litigating political subdivisions have signed on to the agreement, and Wisconsin will receive its full share of over \$400 million. Wisconsin will receive the first payment from the distributors on April 2, 2022, and the payments will continue over 18 years. The first payment from Johnson & Johnson will be made on July 1, 2022 and will continue

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over 9 years. Under 2021 Wisconsin Act 57, 30 percent of the monies will be allocated to the Wisconsin Department of Health Services for use exclusively on opioid abatement efforts. The other 70 percent will be allocated to the litigating political subdivisions. In January, the Wisconsin Department of Health Services conducted a series of regional listening sessions soliciting public feedback on how the state may best use settlement proceeds to enhance opioid abatement efforts throughout Wisconsin.

In addition to the 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 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.

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.