

Dept. of Justice: Announces agreement with former opioid maker Allergan

Posted on Friday, Jul 29, 2022

>> **WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)**

MADISON, Wis. – The Wisconsin Department of Justice (DOJ) and a bipartisan group of attorneys general announced an agreement in principle to address the opioid crisis for the second time this week. The proposed settlement on important financial terms would require former opioid maker Allergan to pay up to \$2.37 billion to participating states and local governments.

If finalized, the Allergan settlement, together with the Teva Pharmaceuticals settlement announced this week, would provide as much as \$6.6 billion nationwide, including for abatement of the crisis. Abbvie, which acquired Allergan in 2020, disclosed the agreement in its earnings announcement Friday.

Both settlements remain contingent on resolution of key issues, including details regarding the settlement structure, which is expected to build on the framework developed in prior nationwide opioid settlements. The parties are also negotiating terms requiring business practice changes and transparency.

“Fighting the opioid epidemic is a top priority at DOJ,” said Attorney General Josh Kaul. “As this agreement in principle reflects, we are continuing to make progress in securing resources to help combat the epidemic.”

Ireland-based Allergan formerly made Norco- and Kadian-branded and generic opioids. The company sold its generics portfolio, including opioid products, to Teva in 2016. Teva and the AGs announced earlier this week that they had reached an agreement in principle to provide up \$4.25 billion to address its part in the opioids crisis. The Teva agreement in principle is contingent, in part, on Allergan reaching

its own settlement with the states.

The coalition of states alleged that Allergan:

- Deceptively marketed opioids by downplaying the risk of addiction, overstating their benefits, and encouraging doctors to treat patients showing signs of addiction by prescribing them more opioids; and
- Failed to maintain effective controls to prevent diversion of opioids.

The \$2.37 billion figure includes money that Allergan has already agreed to pay under settlements with individual states.

Along with DOJ, the negotiations are also being led by California, Iowa, Illinois, Maryland, Massachusetts, New York, North Carolina, Pennsylvania, Tennessee, Texas, Vermont, and Virginia. While New York was among the 13 states integral to negotiating this settlement, New York settled separately with Allergan in December 2021 as a part of its trial.

View the press release [here](#).