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CONTACT: Mayor's Press Office 312.744.3334 press@cityofchicago.org

Bill McCaffrey Department of Law 312.744.1575 <u>bill.mccaffrey@cityofchicago.org</u>

CITY OF CHICAGO CONTINUES ITS FIGHT AGAINST OPIOID ADDICTION BY FILING SUIT AGAINST PHARMACEUTICAL DISTRIBUTORS

City alleges that distributors contributed to public health crisis and violated state and federal laws by delivering unreasonable quantities of opioids

Chicago Mayor Rahm Emanuel and Corporation Counsel Ed Siskel today announced that the City of Chicago filed a federal lawsuit against the top three distributors of opioids for their role in the public health crisis caused by the rampant over-prescribing and abuse of pharmaceutical opioids, a class of highly addictive narcotic painkillers. This lawsuit follows the City's groundbreaking 2014 litigation against opioid manufacturers, which the federal court in December combined into multi-district litigation with suits brought by other jurisdictions around the country.

"The oversupply of these highly potent and highly addictive painkillers has led to a dramatic rise in drug addiction and overdose in communities across the nation," said Mayor Emanuel. "Chicago is continuing our legal fight to end irresponsible practices and hold companies accountable for their deceptive actions that cause serious damage to individuals, families and neighborhoods, and has helped fuel the heroin epidemic in Chicago."

The City filed its suit against AmerisourceBergen Drug Corporation, Cardinal Health Inc. and McKesson Corporation for their unfettered and unlawful distribution of opioids into the City. Known colloquially as the "Big Three," defendants account for approximately 90 percent of all revenues from prescription drug distribution in the U.S. and dominate the wholesale drug distribution market, including in the City.

"These companies have a responsibility under state and federal law to exercise due diligence to prevent the illicit distribution of pharmaceuticals and yet they failed to reject or report suspicious orders and placed profits over public health," said Siskel. "We are filing this suit to hold them accountable."

Chicago was the first city to file a suit against the pharmaceutical companies and one of the few cities to survive any motion to dismiss. Chicago was also in the discovery phase of the litigation and had received more than 10 million pages of documents and conducted hundreds of interviews before its suit was combined with others.

The over-prescribing of pharmaceutical opioids is a well-established fact. The sale of prescription opioids in the United States rose four-fold between 1999 and 2010 even though Americans were not reporting more pain. Also since 1999, prescription opioid deaths have quadrupled, and heroin deaths have risen even more. Further, a 2014 study in the journal JAMA Psychiatry found that nationally, 75 percent of people who recently began using heroin actually initiated with opioid painkillers.

Under Mayor Emanuel's leadership, the City of Chicago has undertaken numerous efforts to fight opioid abuse and protect residents from deceptive marketing of prescription drugs. The Mayor's 2018 budget proposal includes an additional \$500,000 to invest in Medication Assisted Treatment (MAT) and recovery homes, evidence-based practices helping Chicago residents working to overcome addictions to opioids; the additional investment will allow an additional 500 people access treatment next year. In September, it was announced that more than 1,000 Pharmaceutical Representatives have obtained a Regulated Business License that has been required since July 1, 2017 as a result of a Mayoral initiative that has enacted the country's toughest regulations on pharmaceutical representatives. The licensing fee has freed up \$700,000 that will help provide opioid addiction treatment to an estimated 1,000 Chicago residents. Under one of the requirements of this new license, Chicago became the first City in the nation to require the disclosure of interactions between pharmaceutical representatives and health care professionals on opioids and other controlled substances.

In 2017, CDPH began investing an additional \$700,000 a year in opioid addiction treatment and supportive services, with a focus on Medication Assisted Treatment (MAT). Is addition, as part of the City's ongoing efforts, CDPH has expanded outreach and education. Last year, CDPH launched <u>www.overcomeopioids.com</u>, a new online resource hub providing information about services and providers for residents, their family members and community advocates. The city's continued investment in naloxone through the Chicago Recovery Alliance helped the organization reverse 1,544 overdoses in a single year. The Chicago Recovery Alliance distributed 4,541 naloxone kits using one year of the City's funding.

In 2016, the City announced a landmark agreement with Pfizer, Inc., that commits the company to strict standards for the marketing and promotion of prescription opioids. As part of the agreement, Pfizer committed to fairly and accurately disclose the risks of opioids in its promotional activities and external communications, including through its sales representatives who promote drugs directly to doctors. In 2014, the City of Chicago was the first city to file a lawsuit against leading opioid manufacturers alleging that these firms knowingly misrepresented the benefits of opioids and concealed the serious addiction risks associated with their usage, specifically targeting the elderly and veterans, and made false promises that opioids were unlikely to be addictive and would help improve patients' function and quality of life. Since the lawsuit was filed, the City has defeated repeated attempts by the well-resourced defense teams representing the pharmaceutical companies to have the suit dismissed. Chicago's case is the only one in the country that is in the discovery portion of the suit.

In addition, the Chicago Police Department is conducting a pilot program that diverts low-level drug offenders to treatment in lieu of an arrest and criminal record. The City is also developing a community education effort privately funded at \$350,000 by Pfizer, CVS and Walgreens.