

# MCKESSON SETTLEMENT

## HIGHLIGHTS

### UNDER PAT MORRISEY'S WATCH, WEST VIRGINIA SETTLED FOR JUST PENNIES PER PILL WITH THE DRUG COMPANIES HE USED TO LOBBY FOR

- Cardinal Health shipped almost 250 million painkiller pills to West Virginia from 2007-2012, and Morrisey later settled a lawsuit with the company for \$20 million. Morrisey worked for groups representing Cardinal Health during his lobbying career.
- AmerisourceBergen shipped 118 million pills to West Virginia towns between 2007 and 2012, and the state settled with the company for \$16 million in 2017. Morrisey lobbied for a group representing AmerisourceBergen.
- Morrisey lobbied for McKesson while at the King & Spalding law firm.

### COMPARED TO WEST VIRGINIA'S 1998 TOBACCO SETTLEMENT AND OPIOID COMPANY REVENUES, PAT MORRISEY HAS SETTLED WITH OPIOID COMPANIES FOR CRUMBS

- In 1998, West Virginia agreed to a settlement with tobacco companies worth over \$1.8 billion.
- West Virginia's tobacco settlement amounted to \$1,000 per West Virginian; Morrisey's alleged McKesson settlement amounts to \$20 per West Virginian.
- Opioid companies earned over \$400 million per day in revenues. McKesson's revenue for 2016 was \$198,533,000,000. Cardinal Health's revenue for 2016 was \$129,976,000,000. And AmerisourceBergen's revenue for 2016 was \$153,143,800,000.

### OVER 3,000 WEST VIRGINIANS HAVE DIED OF OPIOID OVERDOSES SINCE PAT MORRISEY BECAME ATTORNEY GENERAL

- From 2013-2017, 3,321 West Virginians died of opioid-related overdoses.

### THE OPIOID EPIDEMIC HAS COST THE STATE OF WEST VIRGINIA BILLIONS

- The opioid epidemic cost West Virginia's economy \$8.8 billion a year.
- The opioid crisis increased incarceration costs by \$77 million each year and healthcare costs by almost \$300 million.

### PAT MORRISEY IS CURRENTLY FACING A LAWSUIT FOR HIDING DOCUMENTS REGARDING HIS RELATIONSHIP WITH OPIOID COMPANIES

- A lawsuit has been filed against Pat Morrisey alleging he failed to furnish public records related to his correspondence with several pharmaceutical manufacturers. The Charleston Gazette-Mail noted that Morrisey had "several personal ties" to the opioid industry.

## **UNDER PAT MORRISEY'S WATCH, WEST VIRGINIA SETTLED FOR JUST PENNIES PER PILL WITH THE DRUG COMPANIES THAT HE USED TO LOBBY FOR**

### **Cardinal Health Shipped Almost 250 Million Painkiller Pills To West Virginia From 2007-2012, And Morrisey Later Settled A Lawsuit With The Company For \$20 Million**

**From 2007-2012, Cardinal Health Shipped 241 Million Hydrocodone And Oxycodone Pills To West Virginia.** "An Ohio drug company shipped more than double the number of pain pills to West Virginia than any other supplier over a five-year period, according to federal records. According to the U.S. Drug Enforcement Administration, Dublin, Ohio-based Cardinal Health Inc. shipped 241 million hydrocodone and oxycodone pills to West Virginia between 2007 and 2012. The figures were disclosed in a 2015 court document filed as part of an ongoing state lawsuit in Boone County Circuit Court, the Charleston Gazette-Mail (<http://bit.ly/2d0Kq6F> ) reported." [Associated Press, [10/9/16](#)]

**January 2017: Cardinal Disclosed That They Agreed To Pay \$20 Million In The Settlement.** "Two of the nation's largest drug wholesalers have agreed to pay a combined \$36 million to settle lawsuits that allege the companies benefited from West Virginia's problem with prescription drug abuse. Cardinal Health, the largest supplier of drugs in West Virginia, will pay the state \$20 million. AmerisourceBergen, the third-largest drug distributor in the state, agreed to pay \$16 million." [Charleston Gazette-Mail, 1/10/17]

### **MORRISEY LOBBIED FOR GROUPS REPRESENTING CARDINAL HEALTH**

**August 2004-July 2010: Morrisey Lobbied For The Specialty And Biotech Distributors Association.** [Lobbyist Search, U.S. Senate Lobbying Disclosure Database, Accessed 6/12/18]

**Cardinal Health Was A Member Of The Specialty And Biotech Distributors Association.** "SBDA is comprised of companies dedicated to maintaining the integrity of the specialty distribution system in physician offices and other settings. Our members include AmerisourceBergen Specialty Group, Cardinal Health, Inc., Curascript, Health Coalition, Inc., Oncology Therapeutics Network, and U.S. Oncology. Together, we represent over eighty percent of the physician office specialty distribution volume in the United States. We are committed to the safe, timely, and cost-effective distribution of Part B drugs to Medicare beneficiaries." [Iowa Association of Pathologists, Accessed [6/12/18](#)]

**September 2010-December 2011: Morrisey Lobbied For The Healthcare Distribution Management Association, A Pharma Trade Group That Included Cardinal Health.** "From September 2010 to December 2011, Morrisey lobbied for the Healthcare Distribution Management Association, an Arlington, Va.-based trade group that has 32 member companies, 10 of which are defendants in the West Virginia attorney general's lawsuit, records show. Morrisey's office has a separate lawsuit -- with essentially the same allegations -- against prescription drug distributor Cardinal Health, which also is a member of the trade association." [Charleston Gazette, [8/14/13](#)]

**Morrisey Began Representing The Healthcare Distribution Management Association When It Merged With The Morrisey-Headed Specialty & Biotech Distributors Association, Of Which Cardinal Health And AmerisourceBergen Were Members.** "A spokesman for the Healthcare Distribution Management Association said the group hired Morrisey as a lobbyist after it merged with the Specialty & Biotech Distributors Association in 2010. At the time, Morrisey headed the SBDA, said John

Parker, an HDMA spokesman. The specialty drugs trade group had six member companies, including Cardinal Health and AmerisourceBergen - two of the firms now being sued by Morrisey's office." [Charleston Gazette, 8/15/13]

### **AmerisourceBergen Shipped 118 Million Pills To West Virginia Towns From 2007-2012, And The State Settled With The Company For \$16 Million In 2017**

#### **AmerisourceBergen Shipped 118.9 Million Painkillers To West Virginia Between 2007 And 2012.**

"Several other drug wholesalers have settled with the state in a separate lawsuit. According to DEA data cited in that lawsuit, AmerisourceBergen shipped 118.9 million painkillers to West Virginia between 2007 and 2012, while McKesson Corp. shipped 99.5 million hydrocodone and oxycodone pills." [Associated Press, [10/9/16](#)]

#### **AmerisourceBergen Agreed To Pay \$16 Million In A Lawsuit Settlement With The State Of West Virginia.**

"Two of the nation's largest drug wholesalers have agreed to pay a combined \$36 million to settle lawsuits that allege the companies benefited from West Virginia's problem with prescription drug abuse. Cardinal Health, the largest supplier of drugs in West Virginia, will pay the state \$20 million. AmerisourceBergen, the third-largest drug distributor in the state, agreed to pay \$16 million." [Charleston Gazette-Mail, [1/9/17](#)]

### **MORRISEY LOBBIED FOR GROUPS REPRESENTING AMERISOURCEBERGEN**

**As Members Of The HDMA, Morrisey Lobbied On Behalf Of AmerisourceBergen Drug Corp., H.D. Smith Wholesale Drug Co., Miami-Luken Inc., KeySource Medical Inc., Harvard Drug Group, Auburn Pharmaceutical Co., J.M. Smith Corp., Richie Pharmacal Co., Top Rx, And Anda Inc.** "From September 2010 to December 2011, Morrisey lobbied for the Healthcare Distribution Management Association, an Arlington, Va.-based trade group that has 32 member companies, 10 of which are defendants in the West Virginia attorney general's lawsuit, records show. [...] The prescription drug distributors named in the second lawsuit are: AmerisourceBergen Drug Corp. and H.D. Smith Wholesale Drug Co., of Delaware; Miami-Luken Inc., KeySource Medical Inc. and Masters Pharmaceuticals Inc., of Ohio; Harvard Drug Group and Auburn Pharmaceutical Co., of Michigan; J.M. Smith Corp., of South Carolina; Associated Pharmacies of Alabama; Quest Pharmaceuticals Inc. and Richie Pharmacal Co., of Kentucky; Top Rx of Tennessee; and Anda Inc., of Florida. Only Masters Pharmaceuticals, Quest Pharmaceuticals and Associated Pharmacies Inc. aren't members of the Healthcare Distribution Management Association, according to the group's website." [Charleston Gazette, 8/15/13]

### **Morrisey Lobbied For McKesson While At The King & Spalding Law Firm**

#### **At The King & Spalding Law Firm, Morrisey Himself Lobbied For The Healthcare Distribution Management Association, A Trade Group That Represented McKesson.**

"At King & Spalding, Morrisey himself lobbied for the Healthcare Distribution Management Association, a trade group that represents McKesson, Cardinal Health and other prescription drug wholesalers, generating \$250,000 for the firm." [Charleston Gazette-Mail, [8/6/16](#)]

#### **McKesson Pharmaceutical Unit President Mark Walchirk Sat On The Board Of The Healthcare Distribution Management Association, For Whom Morrisey Previously Lobbied For Two Years.**

"Before taking office in 2013, Morrisey spent two years lobbying for the Healthcare Distribution Management Association (HDMA), an Arlington, Virginia-based trade group that represents McKesson and other drug wholesalers. Morrisey's lobbying work generated \$250,000 for his Washington, D.C., law firm, King & Spalding, according to federal lobbying disclosure forms. Mark Walchirk, president of

McKesson's U.S. pharmaceutical unit, sits on HDMA's board of directors and eight-member executive committee." [Charleston Gazette, 10/13/14]

## **COMPARED TO WEST VIRGINIA'S 1998 TOBACCO SETTLEMENT AND OPIOID COMPANY REVENUES, PAT MORRISEY HAS SETTLED WITH OPIOID COMPANIES FOR CRUMBS**

### **West Virginia Agreed To A Settlement With Tobacco Companies Worth Over \$1.8 Billion**

**1998: West Virginia Agreed To A Settlement With Tobacco Companies Estimated To Be Worth More Than \$1.8 Billion.** "West Virginia, under then-Attorney General Darrell McGraw, was one of the first states to sue cigarette manufacturers for the future costs of medical care for smokers. In 1998, the state agreed to a settlement estimated to be worth more than \$1.8 billion over the life of the payments." [Charleston Gazette-Mail, [6/11/18](#)]

### **West Virginia's Tobacco Settlement Amounted To \$1,000 Per West Virginian; Morrisey's McKesson Settlement Amounts To \$20 Million Per West Virginian**

**Population Of West Virginia, 1998: 1,820,000.** [Statista, Accessed [10/22/18](#)]

**Population Of West Virginia, 2017: 1,820,000.** [Statista, Accessed [10/22/18](#)]

### **Opioid Companies Earned Over \$400 Million Per Day In Revenues**

**Fortune 500 Reported That McKesson's Revenue For 2016 Was \$198,533,000,000.** [McKesson, Fortune 500, Accessed [10/22/18](#)]

**Fortune 500 Reported That Cardinal Health's Revenue For 2016 Was \$129,976,000,000.** [Cardinal Health, Fortune 500, Accessed [10/22/18](#)]

**Fortune 500 Reported That AmerisourceBergen's Revenue For 2016 Was \$153,143,800,000.** [AmerisourceBergen, Fortune 500, Accessed [10/22/18](#)]

## **OVER 3,000 WEST VIRGINIANS HAVE DIED OF OPIOID OVERDOSES SINCE PAT MORRISEY BECAME ATTORNEY GENERAL**

### **2013-2017: 3,321 West Virginians Died Of Opioid Overdoses**

**2017: 870 West Virginians Died Of Opioid-Related Overdoses.** "The number of West Virginia overdose deaths climbed to more than 1,000 for the first time in 2017, according to the most recent data from the West Virginia Health Statistics Center. Of the 1,011 overdose deaths recorded so far from 2017, 870 — about 86 percent — involved an opioid. This is about a 15 percent increase from 2016, when 759 people — out of 890 — suffered fatal overdoses related to opioid use." [Herald-Dispatch, [9/1/18](#)]

**2016: 759 West Virginians Died Of Opioid-Related Overdoses.** “The number of West Virginia overdose deaths climbed to more than 1,000 for the first time in 2017, according to the most recent data from the West Virginia Health Statistics Center. Of the 1,011 overdose deaths recorded so far from 2017, 870 — about 86 percent — involved an opioid. This is about a 15 percent increase from 2016, when 759 people — out of 890 — suffered fatal overdoses related to opioid use.” [Herald-Dispatch, [9/1/18](#)]

**2015: 638 West Virginians Died Of Opioid-Related Overdoses.** [West Virginia Drug Overdose Deaths Historical Overview- Page 7, WV DHHR Bureau of Public Health, [8/17/17](#)]

**2014: 554 West Virginians Died Of Opioid-Related Overdoses.** [West Virginia Drug Overdose Deaths Historical Overview- Page 7, WV DHHR Bureau of Public Health, [8/17/17](#)]

**2013: 500 West Virginians Died Of Opioid-Related Overdoses.** [West Virginia Drug Overdose Deaths Historical Overview- Page 7, WV DHHR Bureau of Public Health, [8/17/17](#)]

## **THE OPIOID EPIDEMIC HAS COST THE STATE OF WEST VIRGINIA BILLIONS**

### **The Opioid Epidemic Cost West Virginia’s Economy \$8.8 Billion Per Year**

**The Opioid Epidemic Cost West Virginia’s Economy \$8.8 Billion A Year.** “The opioid epidemic is costing West Virginia’s economy an estimated \$8.8 billion a year, according to an analysis by a researcher at the American Enterprise Institute. Among all states, West Virginia shoulders the highest per-capita economic burden caused by the opioid crisis. The Mountain State also dedicates the largest share of its gross domestic product — 12 percent — to costs related to the epidemic, the study found.” [Charleston Gazette-Mail, [2/6/18](#)]

**West Virginia’s economic burden from the opioid crisis comes out to \$4,793 per resident And Dedicated 12% Of Its GDP To Combatting The Epidemic.** “According to the study, West Virginia’s economic burden from the opioid crisis comes out to \$4,793 per resident. Maryland had the next-highest burden, at \$3,366 per person. Nebraska had the lowest, at \$465 per resident. The epidemic’s impact on West Virginia’s GDP was even more striking. The 12 percent economic hit was more than double that of any other state. Maryland was next-highest, with opioid-related costs consuming 5.4 percent of its GDP.” [Charleston Gazette-Mail, [2/6/18](#)]

### **The Opioid Epidemic Increased Incarceration Costs By \$77 Million Each Year And Healthcare Costs By Almost \$300 Million**

**West Virginia Had To Pay \$77 Million Each Year For Incarcerations Connected To Opioids.** “A new analysis shows the opioid crisis cost West Virginia more than \$8.72 billion in 2016. The analysis, modeled after a national analysis conducted by the Council for Economic Advisers, includes costs related to fatalities, health care spending, addiction treatment, criminal justice and lost productivity. [...] Broken down, the costs of the other categories were: health care spending, \$262.88 million; addiction treatment, \$28.43 million; criminal justice, \$77.17 million; lost productivity, \$206.08 million.” [Register-Herald, [5/4/18](#)]

**West Virginia Taxpayers Paid \$291 Million In Additional Health Care Costs Per Year Because Of The Opioid Epidemic.** “A new analysis shows the opioid crisis cost West Virginia more than \$8.72 billion in 2016. The analysis, modeled after a national analysis conducted by the Council for Economic Advisers,

includes costs related to fatalities, health care spending, addiction treatment, criminal justice and lost productivity. [...] Broken down, the costs of the other categories were: health care spending, \$262.88 million; addiction treatment, \$28.43 million; criminal justice, \$77.17 million; lost productivity, \$206.08 million.” [Register-Herald, [5/4/18](#)]

## **PAT MORRISEY IS FACING A LAWSUIT FOR HIDING DOCUMENTS REGARDING HIS RELATIONSHIP WITH OPIOID COMPANIES**

**A Lawsuit Was Filed Against Morrisey Alleging He Failed To Furnish Public Records Related To His Correspondence With Several Pharmaceutical Manufacturers.** “A Democratic political group filed a lawsuit against state Attorney General Patrick Morrisey alleging he failed to furnish public records related to his correspondence with several pharmaceutical manufacturers. The Democratic Senatorial Campaign Committee filed its complaint Monday in Kanawha County Circuit Court, about three weeks before Election Day when Morrisey faces off against incumbent Sen. Joe Manchin, D-W.Va. The suit asks that a circuit judge order the release of the records by Oct. 23.” [Charleston Gazette-Mail, [10/15/18](#)]

**The Charleston Gazette-Mail Reported That Morrisey Had “Several Personal Ties” To Pharmaceutical Companies.** “One year ago Wednesday, the DSCC requested correspondence from 2013 onward between Morrisey’s office and major pharmaceutical companies like Cardinal Health, McKesson Corporation, Sunovion Pharmaceuticals, industry trade group Healthcare Distribution Alliance, and others. Morrisey has several personal ties to a number of these groups. He personally lobbied for Sunovion and the Healthcare Distribution Alliance (then known as the Healthcare Distribution Management Association), which represents a number of drug wholesalers. Likewise, Denise Morrisey, Patrick Morrisey’s wife, lobbied federal lawmakers on opioid-related issues for Cardinal Health. Various political groups on either side of the aisle have criticized Morrisey for his ties to the industry, while the state has filed suit against several large pharmaceutical companies for their role in the opioid epidemic roiling the state.” [Charleston Gazette-Mail, [10/15/18](#)]