

ALERT

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The Opioid Crisis: New Jersey Files Suit

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It is no secret that the State of New Jersey and the entire nation is suffering from an opioid crisis. New Jersey has joined countless other states that have commenced litigation in connection with this crisis. On October 5, the Attorney General and the Acting Director of the New Jersey Division of Consumer Affairs filed a lawsuit in the Superior Court of New Jersey, alleging that drugmaker Insys Therapeutics, Inc. (“Insys”) engaged in an illegal scheme in connection with its drug Subsys, leading to at least one known death. Subsys is an immediate release form of the opioid fentanyl, which has been approved by the United States Food and Drug Administration (the “FDA”) for the sole purpose of treating cancer pain in patients who are opioid-tolerant.

The lawsuit alleges that, in order to boost its sales of Subsys, Insys paid illegal kickbacks to physicians to induce them to prescribe the drug to a broader range of patients, beyond the FDA approved use. In addition, Insys allegedly misled health insurers and benefits managers and falsified records to attempt to obtain insurance coverage for the drug. Such actions jeopardized the health, safety and welfare of countless people who were given access to the powerful opioid. The lawsuit alleges violations of the New Jersey False Claims Act and the New Jersey Consumer Fraud Act, which could subject Insys to treble damages in the event that the State prevails.

Alarming statistics show that heroin and fentanyl addiction has continued to rise and related death tolls have continued to mount. Governor Chris Christie, who heads the President’s Commission on Combating Drug Addiction and the Opioid Crisis, has initiated extensive investigations into the potential causes of opioid addiction. By all accounts, these investigations are expected to continue and may lead to additional lawsuits in the near future.

Representatives of drug companies and others have found themselves on the receiving end of subpoenas in order to assist the State in investigating this unsettling issue. SPSK is available to provide legal assistance in connection with these proceedings.

DISCLAIMER: This Alert is designed to keep you aware of recent developments in the law. It is not intended to be legal advice, which can only be given after the attorney understands the facts of a particular matter and the goals of the client.

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