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## Alaska Settles for \$15 Million In Suit Against Lilly's Zyprexa

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The state of Alaska has been involved with an almost month-long trial over a lawsuit with Eli Lilly and Company, Inc., seeking damages regarding the use of the drug Zyprexa in the state's Medicaid program. The trial began on March 3, 2008, and was continuing when a \$15 million settlement was reached.

The state brought suit against Lilly to recover the many millions of dollars spent in treating patients who had experienced weight gain, high blood pressure and diabetes as a result of taking Zyprexa. The lawsuit was a result of the state's claim that it and healthcare providers received insufficient warning that the use of Zyprexa may result in one or more of these medical conditions.

The lawsuit asked that Lilly pay the state for those costs and also pay for civil penalties under the Alaska Unfair Trade Practices and Consumer Protection Act.

Before the trial got underway, Judge Mark Rindner ordered ongoing mediation to occur between the two parties. The \$15 million dollar settlement agreement is far less than state Attorney General Talis J. Colberg was seeking at the trial's outset, but he was satisfied with the end result.

"I am very pleased with the efforts by Assistant Attorney General Ed Sniffen and our team of trial attorneys, Colberg said. "We believe this is a good result for the State of Alaska and the Department of Health and Social Services."

In agreeing to the settlement, Eli Lilly and Company did not admit to any wrongdoing in their promotion or sale of Zyprexa in Alaska. Lilly's senior vice president and general counsel said, "While we had a strong defense, we agreed with the state that the best result for everyone is an amicable resolution."

Included in the settlement for the state is the assurance that Alaska will be treated as favorably as any other state that may settle with Lilly over similar claims.

Zyprexa was first approved as an "atypical antipsychotic" to treat schizophrenia and bipolar disorders. Since then, it has been prescribed to over 23 million people in the United States and 80 other countries.

Currently, nine other states have lawsuits pending against Lilly that are very similar to this one in Alaska. Also, 33 additional states are in the process of investigating a joint action against the company seeking a claim settlement.

Source: Inside Indiana Business. Press Release, March 2008. <http://www.insideindianabusiness.com/newsitem.asp?ID=28529>