

Mississippi gets an \$18.5 million boost from drug lawsuit

Ailing budget to benefit by settlement with Lilly

By Phil West

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JACKSON -- State Atty. Gen. Jim Hood announced a lawsuit settlement against pharmaceutical giant Eli Lilly and Company on Thursday that boosts Mississippi's sickly treasury by \$18.5 million.

The settlement is the result of a multistate lawsuit against Lilly over the drug Zypreza, which Hood said the company marketed in Mississippi as a treatment for minor depression as well as its intended use, major psychotic disorders such as schizophrenia and bipolar disorders.

"It was later found to cause diabetes," Hood said. "So, it did more harm than it did good."

Lilly admitted no wrongdoing when it settled the case with most plaintiffs in January 2009 and admitted no wrongdoing in civil lawsuits against the company.

The company did plead guilty to one misdemeanor violation of the federal Food, Drug and Cosmetic Act and paid \$615 million for promoting the drug's "off-label" use in treating dementia, according to a Lilly news release.

Under the settlement agreement, Lilly paid about \$438 million to the federal government and about \$362 million among 30 states that settled their claims with the drug company.

Mississippi, though, held out and received a settlement of \$18.5 million that was deposited into the state's treasury Tuesday.

"We got about nine times what we would have in the multistate settlement," Hood said.

In addition, Mississippi received money for penalties and legal fees.

"We received money for what essentially was a bogus drug," he said.

Hood said the state's share of the settlement is the result of spending money on the drug through the Medicaid and state health insurance programs.

He said the state learned about the potential lawsuit from Richland, Miss., attorney

William M. Quinn II.

With state revenues falling below estimates for 17 straight months, any new revenue is a plus.

State Sen. Doug Davis, R-Hernando and chairman of the Senate Appropriations Committee, suggested the money could be used to help pay for a new computer system that would help the State Tax Commission recover money from tax cheaters.

"My philosophy is to use one-time money on one-time expenses," Davis said.

He said the State Tax Commission is operating in crisis mode, and the \$18.5 million would cover more than half the cost of a new computer system.

"I hate to use one-time money on recurring expenses," Davis said.

"We've not made any major policy decisions that will prevent us from being in this same situation next year. If you apply the \$18.5 million one-time money to the State Tax Commission and take that from the \$33 million they need, that's all you would have to make up as opposed to the entire \$33 million."



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