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AG: Spend settlement to offset cut

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JACKSON – Attorney General Jim Hood said Thursday he hopes the Legislature will use settlement money from a state lawsuit against a drug company to restore funding cut from courts, prosecutors and law enforcement.

Hood formally announced an \$18.5 million settlement with Eli Lilly, which the Daily Journal reported last week.

While it's not as large as the \$40 million settlement last year with Microsoft, it's a sizable sum for a Legislature dealing with an unprecedented drop in state tax collections.

The lawsuit was filed to recoup state money spent on the drug Zyprexa. Hood said the drug was approved for major psychotic disorders, but was being marketed as a drug for minor depression. The drug later was linked to diabetes.

"We recovered every penny we spent on the drug by Medicaid and the state insurance plan, plus penalties," Hood said.

District attorneys across the state say they will not have funds to pay assistant district attorneys to prosecute cases if some of their reduced funding is not restored.

The governor has cut \$437 million out of the state budget because state tax collections are not meeting projections.

House Public Health Committee Chair Steve Holland, D-Plantersville, said he thinks it makes sense to use some of the funds to restore health care cuts.

"We have so many needs in health care," Holland said.

Hood chose not to join with other states in suing Eli Lilly. Hood said Mississippi was able to garner about nine times as much as it would have if he had entered into the multistate lawsuit.

A group of private attorneys, including former Prentiss County and Tupelo resident William Quin of Ridgeland, handled the lawsuit on behalf of the state and received \$3.7 million.

Hood said the case took four years, and he did not have the staff in his office to handle the lengthy and complex litigation.

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