

# Purdue Pharma Pleads Guilty. Consulting Firm Advised Rebates for OxyContin Overdoses.

written by GEG | December 2, 2020



Opioids have killed more than 450,000 people over the past two decades. Last week, as part of a sweeping settlement with the DOJ, Purdue Pharma, controlled by the Sackler family, pleaded guilty to three criminal charges. The bankrupt company admitted it obstructed the DEA by claiming to have a program to keep their drugs off of the black market when there was no plan in place; Purdue acknowledged that it provided the DEA with misleading information to boost its manufacturing quotas, and it pushed doctors to prescribe more of its drugs through various kickback schemes. Officials have said Purdue will also face more than \$8-billion in civil and criminal penalties, but the company will likely pay only \$225-million under its agreement with federal prosecutors.

According to bankruptcy-court filings, the prestigious consulting firm McKinsey advised in a 2017 presentation to Purdue Pharma, the maker of OxyContin, offering a rebate to distributors whenever a patient overdosed on OxyContin, in part “to counter the emotional messages from mothers with teenagers that overdosed.” The New York Times reported that McKinsey, in a 2017 presentation, estimated that 2,484 customers of drug store chain CVS would overdose or become addicted to opioids in 2019 and it would pay a rebate of \$14,810 “per event.” CVS and Anthem said they never received such rebates.

Later, Purdue would ask McKinsey to “dismantle” the marketing plan, with one member of

the Sackler family, which owns Purdue, saying they should've done so five years prior. Amid the ravages of addiction and death caused by opioids, McKinsey leaders asked Purdue in 2018 whether they needed to prepare for lawsuits by "eliminating all our documents and emails."

Powerhouse consulting firm McKinsey & Co. promoted a questionable strategy to increase the sales of OxyContin – giving distributors a rebate for every overdose tied to the pills they sold, according to a report.

A trove of documents released in a bankruptcy court case showed McKinsey's role in advising members of the Sackler family, which owned Oxy maker Purdue Pharma, as opioid deaths mounted, [The New York Times reported](#).

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CVS said it did not receive any rebates.

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