

From: Soura, Christian
To: Avant, David <davant@peba.sc.gov>
Date: 12/6/2013 10:08:09 AM
Subject: RE: Avandi Settlement

Thanks. I had to try. Heh heh heh.

CLS

Christian L. Soura
Deputy Chief of Staff

(803) 543-0792
ChristianSoura@gov.sc.gov

From: David Avant [mailto:DAvant@peba.sc.gov]
Sent: Thursday, December 05, 2013 9:22 AM
To: Soura, Christian
Cc: Baker, Josh
Subject: RE: Avandi Settlement

Christian,

When the settlement proceeds are received, they will be returned to the claims account. To the extent that the funds are not used during the plan year, they will be swept into the OPEB trust pursuant to the statutory provisions.

So, I don't think they can be figured into the 2015 plan year budget. Let me know if you need more on this.

-David

From: Soura, Christian [mailto:ChristianSoura@gov.sc.gov]
Sent: Wednesday, December 04, 2013 4:51 PM
To: David Avant
Cc: Baker, Josh
Subject: FW: Avandi Settlement

Hi David,

At the risk of being greedy, does this mean I can shave \$3.77M off of the FY 2014-15 General Fund impact of whatever health package the Governor recommends in her Executive Budget? Thanks.

CLS

Christian L. Soura
Deputy Chief of Staff

(803) 543-0792
ChristianSoura@gov.sc.gov

From: Boles, Les
Sent: Wednesday, December 04, 2013 4:42 PM
To: Soura, Christian; Baker, Josh
Subject: FW: Avandi Settlement

See below

From: Martin, Robert
Sent: Wednesday, December 04, 2013 4:30 PM
To: Boles, Les
Subject: FW: Avandi Settlement

Hi Les,

Here is the explanation on the Avandi settlement from the AG's office sent to us this afternoon.

Sincerely,

Robert W. Martin, M.A.
Economist
S.C. Board of Economic Advisors
Rembert C. Dennis Building
1000 Assembly Street, Suite 459
Columbia, SC 29201
(Voice) 803-734-4637
(Fax) 803-734-4719
robert.martin@bea.sc.gov

From: Tom Osmer [<mailto:tosmer@scag.gov>]
Sent: Wednesday, December 04, 2013 4:24 PM
To: Martin, Robert
Cc: Rainwater, Frank; Glenn, Debbie; DiBiase, Greg; John McIntosh; Barry Bernstein
Subject: RE: Avandi Settlement

Mr. Martin, I hope the explanation below answers your question. Please let me know if you need additional information.

In 2011, the State filed an action against GlaxoSmithKline relating to the marketing and sale of its prescription drug Avandia, a diabetes medication. Specifically, the State alleged that GSK promoted Avandia as a significant advance in diabetes treatment that lowered the risk of cardiovascular issues, while covering up the truth that Avandia actually posed serious cardiovascular risks including heart attacks and sudden cardiac death. The lawsuit sought civil penalties for violations of the South Carolina Unfair Trade Practices Act as well as damages for the South Carolina Medicaid Program and the State Health Plan.

Coordinating our efforts with several other states (Kentucky, Louisiana, Maryland, Mississippi, New Mexico, Utah, and West Virginia), and with the assistance of private counsel, we recently settled the State's claims. That settlement was approved by the Honorable Roger L. Couch on November 18, 2013. Pursuant to the terms of that settlement, the Attorney General's Office distributed \$3,773,517.00 to the State Health Plan, \$1,728,024.00 to the South Carolina Medicaid Program, and \$28,003,207.60 to the General Fund.

From: Martin, Robert [<mailto:Robert.Martin@bea.sc.gov>]
Sent: Tuesday, December 03, 2013 1:45 PM
To: Tom Osmer
Cc: Rainwater, Frank; Glenn, Debbie; DiBiase, Greg
Subject: Avandi Settlement

Hi Tom,

We noticed a large deposit of \$28 million in the Unfair Trade Practices account within the General Fund Departmental Revenue category recently. Can you please provide documentation of this settlement agreement and any supporting information for us to review.

Thank you very much for your time.

Sincerely,

Robert W. Martin, M.A.
Economist
S.C. Board of Economic Advisors
Rembert C. Dennis Building
1000 Assembly Street, Suite 459
Columbia, SC 29201
(Voice) 803-734-4637
(Fax) 803-734-4719
robert.martin@bea.sc.gov