

Hawaii to receive \$700M in drug settlement

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Hawaii will receive \$700 million in a landmark settlement from pharmaceutical giants Bristol Myers Squibb and Sanofi following more than a decade of litigation over the blood thinner Plavix and its lack of efficacy in Asian American, Pacific Islander and Native Hawaiian populations, Gov. Josh Green announced Friday.

The state had accused the companies of failing to warn that Plavix — one of the most widely prescribed blood thinners — was either less effective or completely ineffective in people of certain ethnic backgrounds.

The medication, which requires activation by liver enzymes, was prescribed more than 837,000 times in Hawaii between 1998 and 2010.

“Proud to report to you that after nearly a decade of litigation and through the perseverance of the office of the attorney general ... the state has reached a landmark settlement with two multinational

pharmaceutical companies,” Green said at a state Capitol news conference. “It’s a historic result that we’re grateful for.”

Although the state was originally awarded \$834 million in a 2023 nonjury trial, an amount later increased to \$916 million in a 2024 retrial, the new settlement guarantees an immediate payout, avoiding years of appeals and uncertainty. Green said the state is expected to receive the full \$700 million by June 9, adding, “We’ve reached a good-faith settlement here with the parties.”

The state and Bristol-Myers Squibb, headquartered in Lawrenceville, N.J., finalized a \$350 million settlement Friday, resolving all claims related to

the marketing and sale of Plavix, with a matching agreement executed separately with Paris-based Sanofi.

Under the settlement terms, Bristol-Myers Squibb will wire the full amount by June 9 to the state’s counsel in the case, Baron & Budd PC, after which Hawaii will withdraw its lawsuit and release the drugmaker from any further liability related to Plavix.

The settlement does not preclude private citizens or state employees in their personal capacities from filing claims against the drugmaker.

Bristol-Myers Squibb did not admit to any wrongdoing and agreed to settle to avoid continued litigation. Both parties will cover their own legal fees, and the agreement is governed by Hawaii law, with any disputes to be resolved in the state’s 1st Circuit Court.

Green said the windfall comes at a pivotal moment for the state. Hawaii is still managing the financial fallout from the COVID-19 pandemic; the Aug. 8, 2023, Maui wildfires disaster; and mounting concerns over possible federal funding cuts.

Green said his administration has been working closely with legislative leaders to prepare for a potential

special session later this year in the event of Medicaid shortfalls, funding gaps in EBT (Electronic Benefits Transfer) benefits through the Supplemental Nutrition Assistance Program, commonly known as food stamps, or unmet school lunch needs.

“These moneys, I’ve already spoken to the legislative leadership,” he said. “They knew that these dollars were coming so they could begin the process, as we already had planned, to potentially have a special session later in the year,” Green said.

“This settlement of \$700 million is going to go a very long way to help our people.”

The decision by the two drugmakers to settle the state’s claims avoids further proceedings and finalizes a case that has drawn national attention for its focus on racial and ethnic disparities in pharmaceutical safety.

STATE ATTORNEY General Anne Lopez, who joined the governor at Friday’s news conference, emphasized the years of effort her office put into the case, calling the outcome a message to corporations doing business in Hawaii.

“It is important to me that everyone who does business in the state of Hawaii, whether you’re a small shop or a multinational, multibillion-dollar oil company, knows that the Attorney General’s Office will be relentless in our pursuit of compliance with our consumer protection laws.”

A nonjury trial in the case in 2023 resulted in an \$834 million award to the state. That ruling was vacated by the Hawaii Supreme Court, which found a legal error by the trial judge. A second trial was held in the fall of 2023, and 1st Circuit Judge James Ashford in May 2024 increased the award to more than \$916 million, before the parties agreed to settle.

Green said the final \$700 million settlement, once legal fees are taken into account, will be directed to the state’s general fund to support underfunded health and social programs, particularly those that serve vulnerable communities. The governor noted the Legislature will ultimately decide how the funds are allocated, but his administration is advocating for investments that align with pressing health and equity needs.

“We will be completely collaborative with the Legislature. We will ask for their advice on

where they would like to appropriate these moneys. ... They may decide to spend more money on housing, they may decide to spend more money directly on health care benefits.”

The case also spotlighted broader concerns about how pharmaceutical companies consider — or fail to consider — ethnic and genetic diversity in drug development and warnings. Experts say it could set a precedent for other jurisdictions where diverse populations may be similarly affected.

Special Attorney General Rick Fried, with the Honolulu law firm Cronin, Fried, Sekiya, Kekina & Fairbanks, said he started working on the case in 2012 with then-Attorney General David Louie.

“It’s been 13 years we’ve been working on this — two trials up to the Supreme Court and back. We were going back again, and we finally were able to work out this resolution,” Fried said Friday. “There were ... lots of discoveries in between.”

The state Department of the Attorney General confirmed that the Honolulu law firm had contracted Dallas-based Baron & Budd PC, which specializes in representing plaintiffs’ claims.

Neither the state nor Cronin, Fried, Sekiya, Kekina & Fairbanks disclosed how much of the settlement would go to the law firms.

“There are a few loose ends, and so we can give more details when those are finalized, and we will give more details at that time,” Fried said. “But for now this is all we can say with respect to the details of this case.”

As the state prepares for a potentially volatile federal budget year, Green said the timing of the payout will give Hawaii some breathing room “to honor the priorities of the Legislature and everyone’s needs.”

While the settlement represents a historic legal victory for Hawaii, officials emphasized it also marks renewed efforts toward health equity and corporate accountability.

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