

**DEALS**

SEPTEMBER 19, 2019 / 10:42 AM / 2 MONTHS AGO

# Drugmaker Insys wins bankruptcy court approval to sell off opioid

Nate Raymond



(Reuters) - Drugmaker Insys Therapeutics Inc on Thursday won court approval to sell its flagship fentanyl spray to a buyer who agreed to only market the drug for use by cancer patients, in response to concerns about the product's role in fueling the opioid epidemic.



FILE PHOTO: A box of the Fentanyl-based drug Subsys, made by Insys Therapeutics Inc. U.S. Attorney's Office for the Southern District of Alabama/via REUTERS

The decision by U.S. Bankruptcy Judge Kevin Gross in Wilmington, Delaware, marked the first time a bankruptcy court approved the sale of an opioid amid an epidemic that has been blamed for nearly 400,000 overdose deaths between 1999 and 2017.

The ruling cleared the way for the drug, Subsys, to be sold to Wyoming-based BTcP Pharma LLC, which belongs to the MMB Healthcare network of pharmaceutical companies. In exchange, Insys will receive royalties it estimated could reach \$20 million. That will raise money to satisfy creditors.

“Obviously all were concerned with the purchaser of the product,” Gross said. “There is a crisis in this country and we’re all still trying to get a handle on it.”

The question of how to deal with a bankrupt drugmaker’s opioid could ultimately emerge in the case of OxyContin maker Purdue Pharma LP, which filed for bankruptcy on Sunday in an effort to resolve more than more than 2,600 lawsuits alleging it helped fueled the opioid epidemic.

Six state attorneys general initially objected to the sale of Subsys, saying they were concerned it could perpetuate conduct Insys engaged in before filing for bankruptcy when the company was accused of paying doctors kickbacks to prescribe the drug.

Subsys contains fentanyl, an opioid 100 times stronger than morphine, and the U.S. Food and Drug Administration has only approved it to treat pain in cancer patients.

The states said Insys’ conduct resulted in the addictive drug being prescribed to a wide array of patients who did not have cancer.

The states withdrew those objections after BTcP’s owner, Michael Burke, committed to restrictions on the marketing and distribution of Subsys to ensure it is only prescribed for cancer patients.

Insys filed for Chapter 11 bankruptcy protection in June shortly after striking a \$225 million settlement with the U.S. Justice Department resolving claims it bribed doctors to prescribe Subsys to patient who often did not have cancer.

Several former executives and employees of Insys have faced criminal charges, including John Kapoor, Insys' wealthy founder and former chairman, who with four other former executives was convicted of racketeering conspiracy in May.

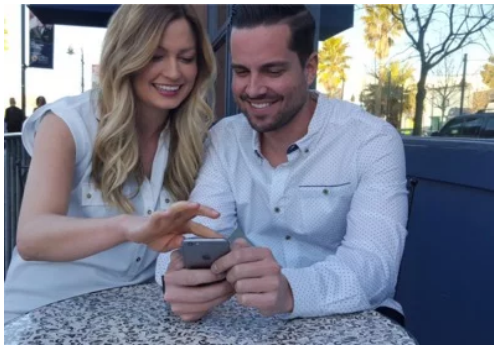
Kapoor has denied wrongdoing and is expected to appeal.

Reporting by Nate Raymond in Boston; Editing by Noeleen Walder and Cynthia Osterman

*Our Standards: [The Thomson Reuters Trust Principles.](#)*

PAID PROMOTIONAL LINKS

Promoted by **Dianomi**



Motley Fool Issues Rare "All In" Buy Alert

The Motley Fool



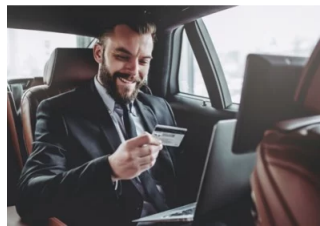
6 Credit Cards You Should Not Ignore If You Have Excellent Credit

NerdWallet



Top 10 Credit Cards For People With Excellent Credit

CompareCards.com



One Unbelievable Card Has 0% Interest Until 2021

CompareCards.com



See How Some Retirees Use Options Trading As A Safe Way To Earn Income

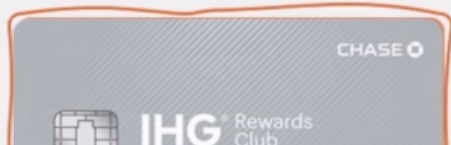
TradeWins

Sponsored Video by



No annual fee. Plus, earn 60,000 bonus points. Let the travel begin.

[Learn more](#)



THE IHG® REWARDS CLUB TRAVELER CREDIT CARD