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J&J to pay $2.5B to settle hip-replacement lawsuits

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Johnson & Johnson will pay about $2.5 billion to settle thousands of lawsuits filed by patients who already underwent surgery to replace the company's faulty metal-on-metal hip implants, which failed at higher rates than traditional hip implants and were eventually recalled.

About 8,000 patients who had revision surgery before Aug. 31 are part of the settlement, the New Brunswick, N.J.-based healthcare company said. More patients who received Johnson & Johnson's metal-on-metal hip implants are expected to undergo revision surgeries in the future.

"The U.S. settlement program provides compensation for eligible patients without the delay and uncertainty of protracted litigation," said Andrew Ekdahl, worldwide president of the DePuy Synthes Joint Reconstruction business unit, which is part of Johnson & Johnson.

The settlement was announced Tuesday after the agreement was presented to the judge overseeing the federal multidistrict litigation consolidated in U.S. District Court in Toledo, Ohio.

The settlement comes just weeks after Johnson & Johnson agreed to pay $2.2 billion to settle allegations that it illegally marketed the antipsychotic drug Risperdal and two other medications.

Johnson & Johnson, which noted that there are still some ongoing lawsuits in the U.S., said that no additional charge to the company's earnings will be recorded as a result of the settlement.

The standard payment for patients who claim a share of the settlement is $250,000. The award may be reduced based on age, smoking status, and the length the device was implanted. Patients may get more than $250,000 if they needed multiple revisions or experienced complications such as a heart attack or pulmonary embolism associated with the revision. They must register their claims by Jan. 6.

About 93,000 people, including roughly 12,000 in the U.S., received the ASR XL Acetabular hip implant or the ASR hip resurfacing system, according to Johnson & Johnson's most recent financial filing. DePuy Orthopaedics, a Warsaw, Ind.-based subsidiary of Johnson & Johnson, recalled the metal-on-metal systems in August 2010. It is also facing lawsuits from patients in the United Kingdom, Canada and Australia.

Metal-on-metal hip implants have failed at higher rates than traditional implants with plastic bearings, prompting the Food and Drug Administration this year to propose regulations that would require manufacturers of market metal-on-metal hip implants test to provide more information about the safety and effectiveness of these devices.

Patients who received the metal-on-metal implants have reported a number of injuries, including adverse local tissue reactions and high ion concentrations of cobalt and chromium. The revision surgeries typically cost about $100,000.

Dr. Geoffrey Westrich, director of research for the adult reconstruction and joint replacement division at the Hospital for Special Surgery in New York, said patients having problems with the implants generally experience three types of responses. Some clearly need revision surgery. Others are not symptomatic or suffering any pain, but MRIs indicate that they have adverse tissue reactions and elevated metal ion levels. Those patients may also need revision surgery, Westrich said. A third group of patients may have slightly elevated ion levels and need to be monitored.

"There is no definitive answer what to do," Westrich said. "Without regular follow-ups, we're not going to know who needs a revision."

About 400,000 people received hip implants in 2011, including the roughly 50,000 people who have revision surgeries each year, said Dr. Josh Jacobs, president of American Academy of Orthopaedic Surgeons. While the revision procedures are fairly common, they are often not as successful as primary implants, he said.

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