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Lawsuits over faulty hips settled

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The medical manufacturer that recalled 40,000 faulty artificial hips in December 2000 — thousands of them already implanted in patients — has agreed to pay \$1 billion to settle lawsuits, attorneys announced Monday.

"It's a much better result than was originally posed," said plaintiffs' attorney Richard Mithoff of Houston, who helped negotiate the settlement with Sulzer Medica Ltd. in federal court in Cleveland.

Plaintiffs rejected a previous offer of \$783 million in cash and company stock.

Details for the settlement, such as guidelines for individual compensation,

Ohio company to pay \$1 billion to recipients of artificial joints

are being worked out by U.S. District Judge Kathleen O'Malley in Cleveland and will be finalized in May. Checks should arrive in plaintiffs' mailboxes by the end of the year, Mithoff said.

However, patient Robert Stahl of Bodega Beach, Calif., warned that Sulzer's troubles are far from over.

"I don't think checks will be written in our lifetime," said Stahl, 60, who had to have his Sulzer hip replaced. "(Patients are) going to pursue their own lawsuits. I don't know if (Sulzer) will file for bankruptcy or not."

Sulzer is the world's fourth-largest manufacturer of artificial joints. Its Austin-based subsidiary, Sulzer Orthopedics, produced the defective replacement joints.

In December 2000, thousands of patients learned that artificial hips they had received were defective and might need to be replaced in a second surgery. An oily residue left on the surface of some implant components during manufacturing prevented patients'

More information

For more information about the Sulzer settlement, see www.sulzerimplantsettlement.com.

An online support group and discussion board for patients can be found at www.totallyhip.org.

bones from fusing properly with the implants.

Last March, the company withdrew its replacement knees from the market because of a similar problem.

More than 3,300 patients were forced to undergo second operations to replace

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Hips

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the faulty replacement joints. Sulzer initially promised to cover any costs patients incurred because of additional medical attention or a corrective operation.

But patients unhappy about having another surgery didn't accept the offer, and thousands of lawsuits were filed.

"We represented a number of clients who were elderly and had other health problems, and the risk of undergoing another operation was pretty significant," said Mithoff, whose firm had more than 80 cases against Sulzer. "Reimbursement for mere medical costs was clearly inadequate."

Mithoff said that before the recall was announced, one of his clients had a faulty artificial hip removed and replaced by a second defective part — necessitating a third surgery.

Sulzer said it anticipates compensating 2,780 patients with hip replacements and 560 with knee replacements who underwent second surgeries to replace the faulty parts. In all, about 26,000 people were implanted with the

recalled artificial hip and 1,500 received replacement knee plates. Not all of the recalled parts caused problems.

The company said the settlement will help it avoid declaring bankruptcy by limiting further litigation.

Patients who don't like the settlement can still pursue their own lawsuits. However, lawyers representing the majority of cases accepted the deal.

"This agreement is one we can afford," company chief Stephan Rietiker said in a news release. "It will allow us to again focus on our central business activities."

The settlement works out to less than \$300,000 for every patient who underwent corrective surgery — and that's before lawyer fees have been subtracted. In addition, a portion of the settlement will consist of Sulzer company stock.

Stahl, who has met other patients through a Web site called totallyhip.org, said the settlement is unlikely to satisfy many people.

"A lot of people had their lives ruined by this. Some people can't get out of bed in the morning or they're in a wheelchair," he said. Others lost jobs because of the time they had to take off from work