

Valeant CEO takes medical leave

December 28 2015



In this Tuesday, May 19, 2015, file photo, Valeant Pharmaceuticals CEO J. Michael Pearson poses at the company's annual general meeting in Montreal. Valeant announced on Monday, Dec. 28, 2015, that Pearson is taking a medical leave of absence after he was hospitalized with pneumonia a week earlier. (Ryan Remiorz/The Canadian Press via AP, File)

Valeant Pharmaceuticals CEO J. Michael Pearson is taking a medical leave of absence after he was hospitalized with pneumonia last week.

Shares of the troubled Canadian pharmaceutical company fell nearly 7 percent in premarket trading Monday. Valeant says three executives will take over for Pearson in his absence.

A representative for Valeant said Monday that Pearson has a "severe case of pneumonia and is receiving treatment in the hospital." The company declined to offer details on his condition or the expected length of his absence.

Valeant has recently come under scrutiny for its drug pricing policies, as well as its relationship with the mail-order pharmacy Philidor. Critics believe Philidor created a network of "phantom pharmacies" to steer pharmacy benefit managers toward Valeant's more-expensive drugs, rather than to cheaper alternatives. Valeant cut ties with Philidor in October and later announced a distribution deal with the drugstore chain Walgreens for its dermatology and ophthalmology treatments.

Valeant earlier this month cut its expectations for the fourth quarter and all of 2015 and issued a guarded outlook for 2016 mainly due to lower sales.

Pearson, 56, joined Valeant in 2008 after a 23-year career with the consulting firm McKinsey & Co., for which he served as head of its global pharmaceutical practice.

He used a string of acquisitions to turn a relatively small business that made generic drugs and chronic illness treatments into a major pharmaceutical company. Valeant, formerly based in California, combined with Wellbutrin XL maker Biovail in 2010 to form Laval, Quebec-based Valeant Pharmaceuticals International Inc. Its sales climbed from \$2.46 billion in 2011 to an expected \$10.4 billion to \$10.5 billion for this year.

Valeant said Monday that the three executives taking over for Pearson will be Executive Vice President and General Counsel Robert Chai-Onn, Executive Vice President and Chairman Dr. Ari Kellen and Executive Vice President and Chief Financial Officer Robert Rosiello.

Shares of Valeant fell 6.5 percent to \$ 106.68 before the market opened Monday. Its shares have fallen 30 percent in just the past three months.

© 2015 The Associated Press. All rights reserved.

Citation: Valeant CEO takes medical leave (2015, December 28) retrieved 25 April 2024 from <https://medicalxpress.com/news/2015-12-valeant-ceo-medical.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.