

Understanding Opioid Settlement Funds and Their Connection to Recovery to Work

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Housekeeping

- This webinar is being recorded
 - Recording and slides will be emailed to everyone who registered
 - Lines are muted to ensure recording quality and flow
- There will be time for Q&A after presentation
- Feel free to ask questions in the chat at any time



How Will Opioid Settlement Money Be Spent In Appalachia?

CEG is monitoring the allocation plans of the 13 states of Appalachia.



Our Goals For Advocacy

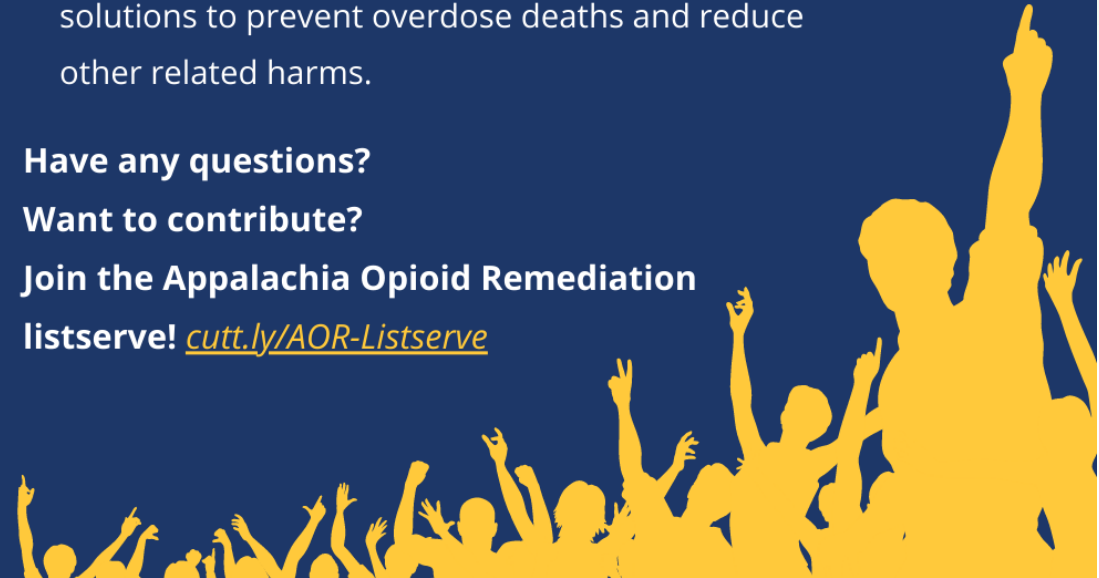
- Ensure local organizations know how to access funding in their state.
- Promote a regional response to the syndemic of HIV, viral hepatitis, and substance use in Appalachia.
- Educate decision makers on evidence-based solutions to prevent overdose deaths and reduce other related harms.

Have any questions?

Want to contribute?

Join the Appalachia Opioid Remediation

listserve! cutt.ly/AOR-Listserve



Objectives

- Overview of opioid settlements
- Spending restrictions + accountability
- State structures
- Resources to learn about your state
- Examples of settlement \$\$ for Recovery to Work
- Opportunities for education + community engagement
- Q&A



Overview of Opioid Settlements



What Opioid Litigation?

- 3,300 state and local lawsuits against ‘Big Pharma’ opioid manufacturers, distributors, and retailers
 - Aggressive marketing of opioid prescriptions & for off-brand uses
 - Deceptive business practices (lies regarding risk of addiction & withdrawal of opioids)
 - “False advertising”
 - “Misbranding”
 - “Deceptive marketing”
 - Lax monitoring of suspicious opioid orders

The Settlements

- All 50 states & Washington D.C. are receiving settlement money in some form & the pot exceeds \$50 billion
- “National Settlement” or “First Wave”
 - \$26 billion over 18 years, frontloaded
 - Plaintiffs = 46 state AGs and their participating localities
 - 4 Defendants = “Big 3” distributors (McKesson, AmerisourceBergen, Cardinal Health) + 1 manufacturer (Johnson & Johnson)
- “Second Wave”
 - \$21 billion over 15 years
 - May 2 sign on date
 - 5 Defendants = 2 manufacturers (Allergan, Teva) + 3 retailers (CVS, Walgreens, Walmart)

The Settlements

- Additional settlements (some still pending)
 - Manufacturers: Purdue, Endo, Mallinckrodt, Insys
 - Consulting firm McKinsey
- Some states took an independent strategy or settled before national agreements were reached



Spending Restrictions + Accountability



Guardrails on National Settlement Funds

- Lessons learned from 1998 Tobacco Master Settlement
 - \$\$ NOT used primarily for tobacco cessation and education groups
- States required to spend at least **70%** of their share of National Settlement funds on **“Future Opioid Remediation”**
 - Of remaining
 - Max 15% for opioid crisis-related reimbursement and admin expenses
 - Max 15% for non-opioid remediation expenses (private law firms, etc)
- Can supplement, not supplant

Exhibit E – List of Opioid Remediation Uses

- **Schedule A – Core Strategies**

- Naloxone
- MAT
- Pregnant & postpartum women
- Expanding treatment for neonatal abstinence syndrome
- **Expansion of warm hand-off programs & recovery services**
- Treatment for incarcerated population
- Prevention programs
- Expanding syringe service programs
- Evidence-based data collection & research analyzing the effectiveness of the abatement strategies within the state

Exhibit E is specific to National Settlement funds, but many states have adopted this list (or similar) for all opioid settlement spending

Read the full document at:
[Cutt.ly/ExhibitE](https://cutt.ly/ExhibitE)

Exhibit E – List of Opioid Remediation Uses

- **Schedule B – Approved Uses**
 - Part One: Treatment
 - “Including all forms of MAT approved by the FDA”
 - **Support for people in treatment & recovery**
 - **Connections to care**
 - Part Two: Prevention
 - Prevent over-prescribing
 - Prevent misuse of opioids
 - Prevent overdose deaths and other harms (harm reduction)
 - Part Three: Other Strategies
 - First responders
 - Leadership, planning, and coordination
 - Training
 - Research

“Provide comprehensive wrap-around services... including housing, transportation, education, job placement/training, or childcare.”

“Provide funding for peer support specialists or recovery coaches in EDs, detox facilities, recovery centers, recovery housing, or similar settings.”

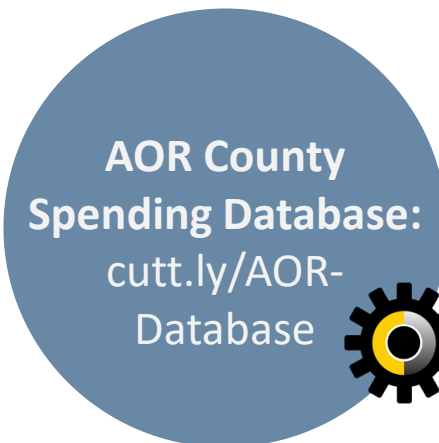
“Develop and support best practices on addressing OUD in the workplace.”

Not federal grant funding

- No Congressional oversight – Transparency and accountability measures are largely self-imposed
 - The Federal government has options to encourage proper spending, but Biden administration has not given any indication if they plan to do so
 - See: [The Biden Administration Vowed to Be a Leading Voice on Opioid Settlements But Has Gone Quiet](#) by Aneri Pattani, KFF Health News
- But also: Can be used for things that federal funds can't buy

Reporting & Accountability

- At highest level, only requirement is to **report use of funds not used for opioid remediation**
 - Public reporting suggested, not required
- Defendants can (theoretically) withhold funds from States (through a legal process) if they deem \$\$ hasn't been spent as intended << *But this is very unlikely*
- States differ in reporting and transparency requirements for state & local funds
 - NC dashboards (ncopioidsettlement.org)
 - KY certification





State Structures + Spending Plans



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Contracts & Legislation

- Statutory trusts
 - To hold & allocate funds
- Allocation statutes
 - Legislation that governs allocation, distribution, and/or use of funds
- Contracts between state and local governments
 - MOUs, state-subdivision agreements, intrastate allocation agreements
 - Articulate spending goals
 - Avoids the need for legislative politics

Funding buckets

- State (legislature, agency, or other authority)
- Localities (counties & some municipalities)
- Special fund controlled by council/board/authority
- Special projects

50/50

Kentucky:

- 50% to the state, managed by the Kentucky Opioid Abatement Advisory Commission
- 50% to localities (restricted)

Alabama:

- 50% to the state, appropriated by the legislature
 - After review of recommendations from the Alabama Opioid Overdose and Addiction Council
- 50% to localities

**Note: AL pursued an independent legal strategy & did not participate in the National Opioid Settlement*

State Agency Control

New York:

- State dollars:
 - 17.5% to the State
 - 20% to the Lead State Agency (discretionary spending on approved uses & admin expenses) – Opioid Settlement Fund Advisory Board to provide recommendations, *but they are merely advisory*
- Local dollars:
 - 16.39% to the Lead State Agency (regional spending on approved uses – NY subdivisions may apply for these funds – 1.89% set aside for cities with population more than 90,000 other than NYC) – OSFAB to provide recs
 - 5.4% to localities (unrestricted)
 - 5.4% to localities (restricted)
 - 6.68% to the County of Nassau (restricted)
 - 8.63% to the County of Suffolk (restricted)
 - 20% to the City of New York (restricted)

Maryland:

- State dollars:
 - 15% to the Opioid Restitution Fund (only pot of funds than can be granted to community orgs) – ORF Advisory Council provides recommendations regarding use of these funds, *but they are merely advisory*
- Local dollars:
 - 25% directly to localities (into local abatement funds)
 - 60% for localities but must apply through the State
 - 25% of these allocated at discretion of the Secretary of Health
 - 75% of these as non-competitive awards to qualifying subdivisions

Mostly Counties

North Carolina:

- 15% to the State
 - Appropriated by the legislature
- 80% to localities
- 5% set aside as an incentive fund
 - Local govt's eligible if every municipality in the county agreed to MOA – fully achieved Oct 1, 2021
- NC Association of County Commissioners providing guidance

Pennsylvania:

- 15% to the Commonwealth
 - Appropriated by the legislature
- 15% directly to litigating subdivisions
- 70% to counties
- All funds overseen by the PA Opioid Misuse and Addiction Abatement Trust

Council/Authority/Board

Tennessee:

- 15% to State general fund
- 15% directly to localities (unrestricted)
- 70% to Tennessee Opioid Abatement Fund, managed by the TN Opioid Abatement Council
 - 35% directly to counties (restricted)
 - 65% available by RFA

South Carolina:

- 85% to political subdivisions (RFA through the SC Opioid Recovery Fund Board)
- 15% to Discretionary Subfund (RFA through SCORF Board)
- Funds received after 2030 will be split 50/50

Virginia:

- 15% to the Commonwealth
- 15% directly to localities (unrestricted)
- 15% to localities (restricted)
- 55% to Virginia Opioid Abatement Fund, managed by the Opioid Abatement Authority

Private Foundations & Regional Boards

Ohio:

- 15% to AGs office as counsel for the State
- 30% directly to localities
- 55% to the OneOhio Recovery Foundation
 - To be dispersed among 19 regions

West Virginia:

- 3% to the state for litigation expenses
- 24.5% to localities
- 72.5% to the West Virginia First Foundation
 - 20% must be divided among 6 regions
 - 80% shall be dispersed “based on evidence-based evaluation of need after consultation with the Expert Panel”

**Note: WV pursued an independent legal strategy & did not participate in the National Opioid Settlement*

Miscellaneous

Mississippi:

- 15% to the State general fund (restricted)
- 15% to localities (unrestricted)
- 70% to the University of Mississippi addiction center “to establish a new multidisciplinary program...”


Georgia:

- 75% to the State
 - Of which, 40% must be allocated among 11 regions
- 25% to localities, with specific allotments for sheriff offices, hospitals, and schools

But no public information found yet about allocating funds

Every state has a different process for how they are managing their funds.

But, in every state, this is a political process.



Resources to learn about your state



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CEG's Appalachia Opioid Remediation listserve & database

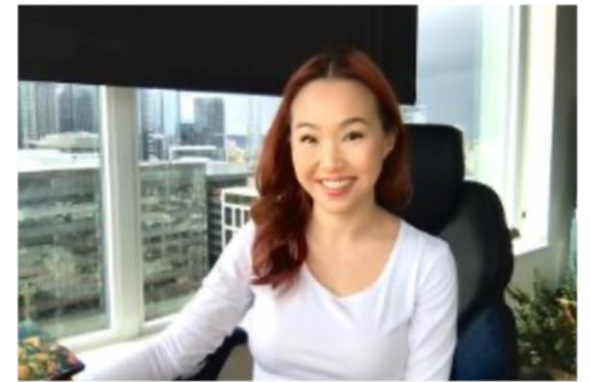
- Weekly emails with updates from across the region + relevant national updates
 - Sign up at cutt.ly/AOR-Listserve
- County & municipal level tracking of settlement spending
 - Check it out at cutt.ly/AOR-Database

NationalOpioidSettlement.com

- Search by settlement
- The \$\$ from Defendants to States
- In depth information about the litigation
- [State Participation Chart](#)
 - Click on state for affiliated legal documents

OpioidSettlementTracker.com

- [Global Settlement Tracker](#)
 - Which settlements your state is part of, and how much money they are receiving (*note: some litigation is still pending*)
- [Settlement Spending](#)
 - How your state plans to portion out funds between states/localities/special funds
 - Check out all the embedded links for legislation, contracts, public statements, etc
- (New!) [Public Reporting](#)
 - States' initial public reporting promises
 - "Sunshine is the best disinfectant."



Vital Strategies – Community Advocate Guides

- [Kentucky](#)
- [Michigan](#)
- [New Jersey](#)
- [New Mexico](#)
- [North Carolina](#)
- [Pennsylvania](#)
- [Wisconsin](#)



All remaining states should be available in June [at this link](#)

Find the public information

- State opioid settlement website?
 - Public meetings?
 - Contact information?
- Attorney General's website
 - Press releases
- Google
 - Press releases
 - Op-eds or local journalism
- Local and/or regional decision makers



Examples of settlement \$\$ for Recovery to Work



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Settlement spending examples

- KY granted \$1 million (\$250,000 each to 4 groups) to [provide free civil legal help](#) to those with a history of opioid use.
- Mecklenburg Co, NC: \$525,000 for job training, job skills, job placement, interview coaching, resume review, professional attire, relevant courses at community colleges or vocational schools, transportation services [for those recovering from addiction](#).
- Burke Co, NC: Investing in a new residential tx center that also offers [vocational training](#).

Other programs to highlight

- [Get Paid to Pay it Forward](#) (Jobs & Hope, WV)
 - Paying people to drive others to SUD tx appointments
- [Recovery Friendly NC](#)
 - 1:1 TA with employers to ensure workplace is recovery friendly
- Car donation program / fund for repairs & maintenance
- Gas cards / mileage reimbursement
- Fund for incidentals (work boots, tools/equipment to get started)
- Pay for state-issued IDs
- Phones and/or minute cards
- Wage reimbursement program
 - Reimburse employer up to a certain amount to hire a person



Opportunities for education + community engagement



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Educate, Influence, & Make Strategic Asks

- Attend meetings of advisory authorities, legislature, local councils, etc
- Encourage robust community input
 - Most impacted people are regular people with busy lives – need options to give input outside of normal working hours
- Explain your current programming, funding sources, and gaps in resources
 - Connect your ask to an Exhibit E “approved use” (or your state’s version)
- Think regionally & prioritize partnerships
- Use this opportunity to change the narrative around substance use and recovery

Stay in touch!

- Email:
tchristensen@communityeducationgroup.org
- Join the Appalachian Opioid Remediation listserve
<http://cutt.ly/AOR-Listserve>
- Check out the AOR County/Municipal Spending Database
<http://cutt.ly/AOR-Database>
- Attend Appalachian Partnership Consortium meetings
<http://cutt.ly/APC-Monthly>
- Follow CEG on Twitter/IG/FB:
[@CEGinWV](https://twitter.com/CEGinWV)

