

Prescription Opioid Settlement Funds –Workshop

September 24, 2024



 **sonoma county**
DEPARTMENT OF HEALTH SERVICES

Background

- Multi-District Prescription Opioid Litigation (MDL) – filed in 2018- largest litigation in U.S. history
- County of Sonoma, an early filed Plaintiff
- Goal is to hold opioid pharmaceutical related businesses financially responsible for the harms caused by the national opioid epidemic
- Considered by most States, Counties, Cities, and Tribes to be successful litigation.



Prescription Opioid Litigation Settlement Funding - History

- Pharmaceutical distributors McKesson, Cardinal Health and AmerisourceBergen, and with manufacturer Janssen Pharmaceuticals, Inc. reached a settlement in the MDL in 2022
- Pharmaceutical giants Teva and Allergan reached a settlement in the MDL in 2023
- Pharmacies Walmart, Walgreens, and CVS reached a settlement in the MDL in early 2024
- Pharmacy Kroger reached an MDL settlement in August 2024
- Management/Consultant McKinsey and Company, Inc. reached a class action settlement outside of the MDL in early September 2024



Funding

- \$12 million currently in fund balance
- \$31 million additional expected to be received
- \$43 million in total expected
- Amounts and term of payments vary by company
- 3 cities reallocated funds to the County
- Allowable uses primarily for prevention and intervention
- Oversight of expenditures by the State

Numerous litigations still pending | Funding stream may continue to grow



Allowable Uses

Core Strategies

1. Naloxone or other FDA-approved drug to reverse opioid overdoses
2. Medication-Assisted Treatment (“MAT”) distribution and other opioid-related treatment
3. Services for pregnant & postpartum women
4. Expanding treatment for neonatal abstinence syndrome (“Nas”)
5. Expansion of warm hand-off programs and recovery services
6. Treatment for incarcerated population
7. Prevention programs
8. Syringe service programs
9. Evidence-based data collection and research analyzing the effectiveness of the abatement strategies

Other Approved Uses

1. Treatment & Recovery – Opioid Use Disorder, Support, Connect to care, Aiding those in the criminal justice system, Aiding parents
2. Preventions – Appropriate prescribing efforts, Prevent misuse, Harm Reduction
3. 1st Responders, Training, and Research
4. Administrative and indirect costs up to 10%



Allowable Uses - Continued

Must spend no less than 50% on High Abatement Activities:

1. Matching funds or operation costs for SUD facilities with an approved project within the Behavioral Health Continuum Infrastructure Program (BHCIP).
2. Creating new or expanded SUD treatment infrastructure.
3. Addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD.
4. Diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction.
5. Interventions to prevent drug addiction in vulnerable youth.
6. The purchase of naloxone for distribution and efforts to expand access to naloxone for opioid overdose reversals.



Unallowable Uses

1. Salaries and benefits for work not related to opioid remediation activities
2. Law enforcement activities related to interdiction or criminal processing
3. Non-FDA-approved medications
4. Medication, services or equipment, infrastructure, and other costs not related to SUD treatment



Potential Use Considerations

- **Substance Use Treatment and Recovery Services:**
 - Additional SUD residential treatment beds and/or facility
 - Additional residential treatment beds for clients currently in jail needing placement
 - Adolescent Residential, Outpatient, and Office Based Opioid (OBOT) Treatment
 - Funding for Recovery Housing and aftercare services
 - Dual Diagnosis Substance Use Disorder continuum of treatment programs, including the implementation of SB 43 requirements for treatment and continuum/transition support programs
- Establish an Opioid Prevention and Community Crisis Grant Program – for local community-based and non-profit organizations
- Allowable support for the Sheriff's Office Opioid Prevention, Education, Research and Abatement Team
- Behavioral Health Continuum Infrastructure Program (BHCIP) - source of match funds for future SUD-related State grant submissions
- SUDS-related large-scale projects, such as Behavioral Health Housing Unit (BHHU) and SB 43 implementation



Potential Uses - Continued

- Outreach and Marketing for Prevention:
 - Sonoma County podcast focusing on prevention
 - Mental Health workshops for local schools
 - Outreach to wineries: DUI prevention training, Responsible Beverage Service
 - Prevention outreach, advertising materials
 - Sonoma County Community Alcohol and Drug Education Nights
 - Expand contractor(s) for opioid/meth education/workshops
 - Equity and inclusion focused cultural art such as murals, paintings, décor, etc.
- Consider development of a stakeholder input group
- Consider a regional collaborative approach to use
- Consider development of a funding allocation policy to apply to future settlement distributions



Board Deliberation and Uses Input

