

Johnson & Johnson Opioid Settlement and Settlements Update

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Summary

- ▶ Local governments will receive up to \$61.67 million in June 2024 from the J&J settlement
- ▶ The sign-on deadline is May 11, 2024
- ▶ Six other opioid settlements are or soon will be distributing settlement funds
- ▶ HCA is hosting a Learning Collaborative for local governments to discuss best practices for opioid spending
- ▶ HCA is developing a voluntary online public-facing portal that cities, counties, and the State can use to track spending

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Washington cities and counties will receive up to \$61.67 million from the J&J settlement

- ▶ All eligible cities and counties must join to receive the full amount
- ▶ If all join, payment in June/July 2024
- ▶ Money must be spent on opioid abatement
- ▶ If not all cities and counties join, the J&J payment will be reduced by 5% with possibility that this 5% will be paid two years later

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Washington sign-on status

- ▶ The AGO strongly encourages all eligible Washington cities and counties to join the settlement
- ▶ The alternative is to pursue litigation

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How to calculate the share your city would receive

- ▶ Same as other opioid settlements
- ▶ Your share can be calculated by multiplying \$61.67 million and your city or county's percentage in Exhibit B of the One Washington MOU
- ▶ Attorneys' fees of 15% then need to be deducted

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State/local government split of settlement proceeds

- ▶ Total J&J settlement is \$149.5 million
- ▶ Part is State's attorney fees
- ▶ \$123.3 million for opioid abatement, which is split 50% local governments/50% State
- ▶ Local government share is then being allocated per the One Washington MOU

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How a city or county can join the settlement

- ▶ Sign the Participation Form
- ▶ Settlement Administrator will be sending email with link to DocuSign form
- ▶ Deadline is May 11, 2024
- ▶ <https://www.atg.wa.gov/johnson-johnson-opioid-settlement> has the settlement form and more information

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All opioid settlements to date

- ▶ Total local government share to date is \$493.87 million, payable over 17 years
 - ▶ Distributor settlement
 - ▶ Walmart/CVS/Walgreens/Teva/Allergan settlements
 - ▶ J&J settlement
- ▶ This does not include a deduction for attorney fees

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Settlement payments to local governments in 2024

- ▶ After deduction for attorneys fees, local governments will receive over \$100 million in 2024 from opioid settlements
- ▶ Will be in four to six separate payments
- ▶ The Settlement Administrator sends a spreadsheet with the payment amount several weeks before each payment is made

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Pharmacy settlement payments

- ▶ The first Walmart/CVS/Walgreens/Teva/Allergan payment will be made in mid-March 2024
- ▶ Total is \$217 million with payments over varying time periods
- ▶ Future payments for the CVS/Walgreens/Teva/Allergan settlements will be made at varying times

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Distributor settlement payments

- ▶ The Distributor settlement has made two payments to date (settlement years 1-3)
- ▶ Two of the three distributors prepaid settlement year 7 (the 2027 payment) and cities will be receiving this payment soon
- ▶ A company can prepay once every five years
- ▶ Cities will receive year 4 payment in July 2024
- ▶ Total is \$215 million over 17 years with possible small changes due to prepays

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How to get projections of future settlement payments

- ▶ Log onto the Settlement Administrator website using the city's official credentials
- ▶ Only Distributor settlement future payment projections are available now
- ▶ Walmart/CVS/Walgreens/Teva/Allergan projections will be added soon

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Reporting of opioid settlement spending

- ▶ Each Opioid Abatement Council needs to post online how the cities and counties in the OAC spent their opioid settlement funds
- ▶ Needs to be updated at least annually

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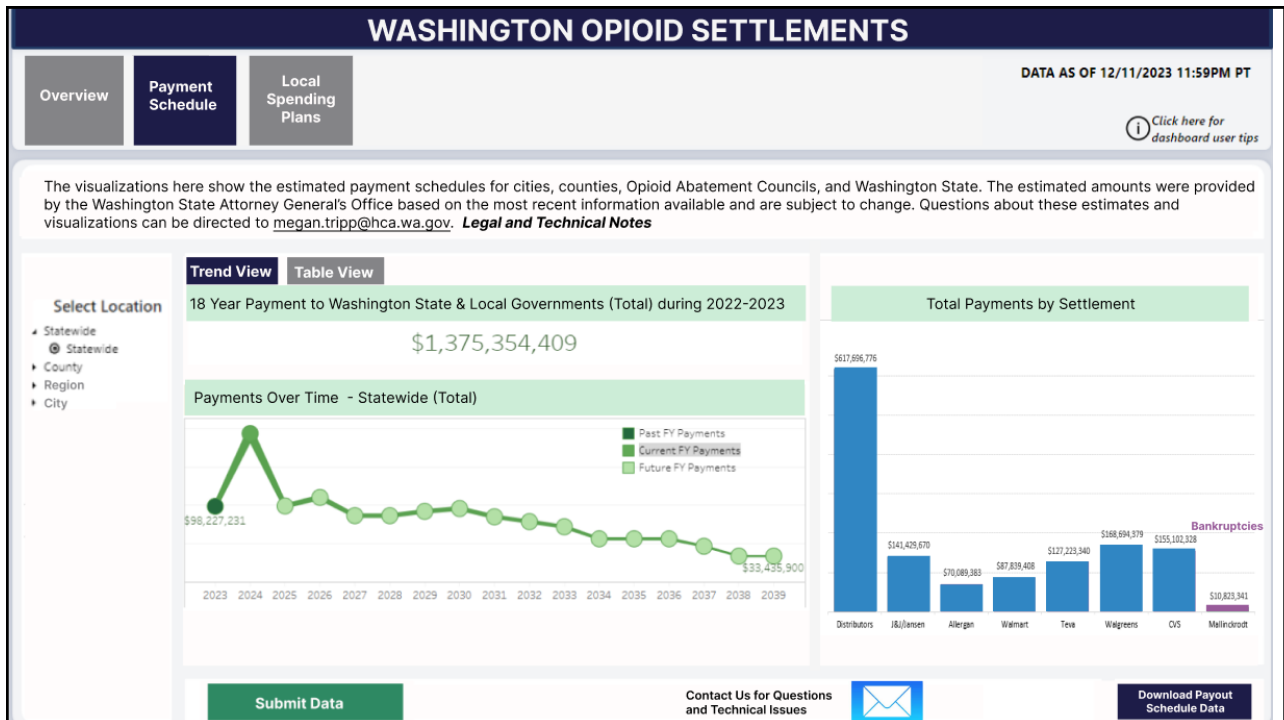
Washington State Opioid Settlement Learning Collaborative

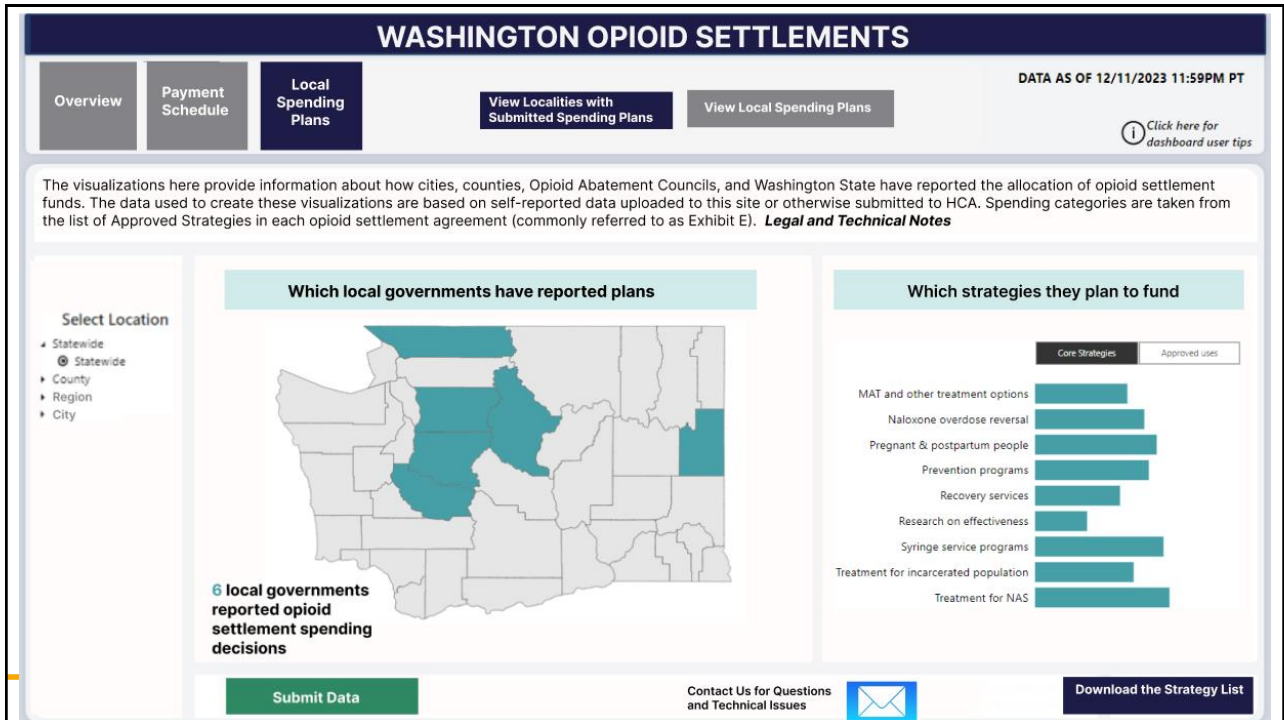
Washington State
Health Care Authority

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Purpose of Learning Collaborative

- ▶ Provide setting for contact between the State, Tribes, and Local Governments on the use of opioid settlement funds
- ▶ Current work involves stakeholder engagement on the creation of an electronic tool to help us track these resources and how they are used.
- ▶ Phase 1 focuses only on opioid settlement funds
- ▶ Next Learning Collaborative is April 10 at 9am.
- ▶ Meetings are currently targeting OAC members, city/county fiscal staff, and program managers managing contracts funded by opioid settlements





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Other pending opioid cases

- ▶ State case against Rite Aid, Safeway, and Kroger was filed in December 2022
- ▶ Rite Aid has filed for bankruptcy
- ▶ Investigations against other entities are ongoing

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Purdue bankruptcy

- ▶ Purdue tentatively would pay Washington \$200 million over 17 years, but depends on US Supreme Court ruling
- ▶ Only the 5 largest counties in Washington receive direct payments
- ▶ For the 34 smaller counties, the State in conjunction with a panel of local and state government representatives administers money

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State opioid settlement spending

- ▶ Examples from 2023 budget
- ▶ \$18 million for prevention, treatment and recovery support services
- ▶ \$5 million to expand the distribution of naloxone and overdose education prevention
- ▶ \$4 million for short-term housing vouchers for individuals with substance use disorders

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Key points

- ▶ The deadline to sign and return the J&J settlement Participation Form is May 11, 2024
- ▶ The local governments will receive up to \$61.67 million in June/July 2024 for the J&J settlement
- ▶ When combined with the earlier distributor settlement, Washington local governments will receive \$493.87 million before attorney fees

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Questions

- ▶ Contact Jeff Rupert at 206-389-2116 or Jeffrey.Rupert@atg.wa.gov
- ▶ <https://www.atg.wa.gov/johnson-johnson-opioid-settlement> has more information about the new settlement
- ▶ Kris Shera, State Opioid Administrator at HCA, at 360-688-3329 or kris.shera@hca.wa.gov

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