OPIOID SETTLEMENTS

JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH & HUMAN SERVICES

Daniel Mosteller, Deputy General Counsel
Steven Mange, Senior Policy Counsel & Interim Legislative Counsel
North Carolina Department of Justice
April 12, 2022
Preview

• National Level (Mosteller)
• State Level (Mange)
• Discussion (All)
National Litigation: Plaintiffs

• States
• Counties
• Municipalities
## National Litigation: Defendants

<table>
<thead>
<tr>
<th>Bankruptcies</th>
<th>Manufacturers</th>
<th>Distributors</th>
<th>Pharmacies</th>
<th>Consultants</th>
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</thead>
<tbody>
<tr>
<td>Purdue Pharma</td>
<td></td>
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<tr>
<td>Mallinckrodt</td>
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<tr>
<td>Insys</td>
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<table>
<thead>
<tr>
<th>Settlements</th>
<th>Manufacturers</th>
<th>Distributors</th>
<th>Pharmacies</th>
<th>Consultants</th>
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<tbody>
<tr>
<td>Johnson &amp; Johnson</td>
<td></td>
<td></td>
<td></td>
<td>McKinsey</td>
</tr>
<tr>
<td>(subsidiary Janssen)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>McKesson</td>
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<tr>
<td>AmerisourceBergen</td>
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</tbody>
</table>

| Not Bankrupt          | Manufacturers      | Distributors      | Pharmacies            | Consultants |
| & Not Settled         |                    |                   |                       |             |
| Allergan              |                    |                   |                       |             |
| Endo                  |                    |                   |                       |             |
| Teva                  |                    |                   |                       |             |
| CVS                   |                    |                   |                       |             |
| Rite Aid              |                    |                   |                       |             |
| Walgreens             |                    |                   |                       |             |
| Walmart               |                    |                   |                       |             |
National Settlements

McKinsey Settlement (states only)

• National = $574M over 5 years

• North Carolina = $19M over 5 years

  • $15,700,000 received in April 2021

  • $812,000 due in April of 2022 / 2023 / 2024 / 2025
National Settlements

Distributors plus Johnson & Johnson

• National = $26B over 18 years
• North Carolina = $750M over 18 years
• Front-loaded in early years
• Plus new rules to prevent future harm
State Level / Preview

• Memorandum of Agreement (MOA)
• Resources for Local Governments
• State Share of Settlements
State Level / MOA Allocation

• Overall Allocation
  • 15% state
  • 85% local governments

• Among local governments
  • 100 counties
  • 17 municipalities
State Level / MOA Use of Funds

• Option A
  • Shorter list of high-impact strategies
  • Treatment, recovery, naloxone, etc

• Option B
  • Engage in collaborative strategic planning
  • Then pick from shorter or longer list
State Level / MOA Transparency

• Local government special revenue funds subject to audit
• Annual financial & impact reporting
• All reporting available to the public
State Level / Resources for Local Gov’ts

• DOJ, DHHS & NCACC collaboration
• NCACC statewide summit on March 29
• Webinar series on Option A strategies
State Level / Resources for Local Gov’ts

Foundation Partners

• Dogwood Health Trust
• The Duke Endowment
• Blue Cross Blue Shield Foundation
• Duke Energy Foundation
• North Carolina Institute of Medicine (convener)
State Level / Resources for Local Gov’ts

CORE-NC
Community Opioid Resources Engine for North Carolina
ncopioidsettlement.org

In partnership with the UNC Injury Prevention Research Center
With seed money from the Duke Energy Foundation
State Level / CORE-NC
Community Opioid Resources Engine for North Carolina

• The nerve center for North Carolina’s opioid settlements
• Ensuring maximum transparency & accountability
• Tools, resources & data to assist local governments
• Portals to upload local reports required by the MOA
• Dashboards & reports to inform policy-makers & the public
State Level / CORE-NC
Community Opioid Resources Engine for North Carolina

NORTH CAROLINA OPIOID SETTLEMENTS

NEW RESOURCE!
NC OPIOID SETTLEMENTS DATA DASHBOARDS
Interactive maps and graphics to help NC communities make plans for spending their opioid settlement funds

HOW TO USE THE DASHBOARDS
1. Select your county from the dropdown menu
2. Scroll to view key indicators of opioid harm, community drivers of health, and settlement payment schedules

• Central hub for updated information
• Dashboards for transparency
• Success stories

VISIT AND EXPLORE: ncopioidsettlement.org/data-dashboards

ncopioidsettlement.org
## State Level / State Share

### Estimated Opioid Settlement Amount Available to North Carolina State Government

<table>
<thead>
<tr>
<th>FY in which Funds Received</th>
<th>Distributors</th>
<th>Johnson &amp; Johnson</th>
<th>McKinsey</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>2020-2021</td>
<td>$4,366,384</td>
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<td>$15,735,496</td>
<td>$15,735,496</td>
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<tr>
<td>2021-2022</td>
<td>$4,929,966</td>
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<td>$812,295</td>
<td>$5,178,679</td>
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<td>2022-2023</td>
<td>$4,867,330</td>
<td>$4,672,558</td>
<td>$812,295</td>
<td>$10,414,819</td>
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<td>2023-2024</td>
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<td>$2,732,520</td>
<td>$812,295</td>
<td>$8,412,145</td>
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<td>2024-2025</td>
<td>$5,072,974</td>
<td>$4,093,239</td>
<td>$812,295</td>
<td>$9,978,508</td>
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<tr>
<td>2025-2026</td>
<td>$5,072,974</td>
<td>$4,363,192</td>
<td>$812,295</td>
<td>$9,436,166</td>
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<td>2026-2027</td>
<td>$5,072,974</td>
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<td>$778,722</td>
<td>$5,851,696</td>
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</table>
PART IX-F. MENTAL HEALTH/DEVELOPMENTAL DISABILITIES/SUBSTANCE ABUSE SERVICES

USE OF OPIOID SETTLEMENT FUNDS

SECTION 9F.1.(a) The Opioid Abatement Reserve (Reserve) is established in the General Fund to maintain funds received by the State as a beneficiary of the final consent judgment resolving the case, State of North Carolina, ex rel. Joshua H. Stein, Plaintiff v. McKinsey and Company, Inc., in the General Court of Justice, Superior Court Division, Wake County and any other funds received by the State as a result of a settlement, as defined in G.S. 114-2.4A, relating to claims regarding the manufacturing, marketing, distribution, dispensing, or sale of opioids.

Monies in the Reserve shall be made available to (i) cover the costs incurred by the State in investigating and pursuing these claims and (ii) abate and remediate the harms caused to North Carolina and its citizens by the opioid epidemic. Funds from the Reserve may be allocated or expended only by an act of appropriation by the General Assembly.

The Opioid Abatement Fund (Fund) is created in the Department of Health and Human Services (Department) as a special fund consisting of all interest and investment earnings received on monies in the Fund. The State Controller shall transfer from the Reserve to the Fund

Senate Bill 105   Session Law 2021-180   Page 217
For More Information . . .

Community Opioid Resources Engine for North Carolina (CORE-NC)
ncopioidsettlement.org

NC DOJ opioid settlement webpage
morepowerfulnc.org "opioid settlements"

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Resources
Collaboration
Transparency