



November 10, 2021



City of Diamondhead
5000 Diamondhead Circle
Diamondhead, Mississippi 39525

Several years ago, Mississippi became the first State in the country to file suit against opioid manufacturers to hold them accountable for their part in the epidemic that has cost us in lives lost, families torn apart, and public health and safety dollars spent in response. Following years of litigation, negotiations have now generated two multi-billion-dollar settlements with three opioid distributors, Cardinal Health, McKesson, and AmerisourceBergen, as well as Johnson & Johnson, a leading manufacturer.

The two settlement agreements are complex and include provisions that allow the defendants to claw back funds if we do not (1) meet requirements for the vast majority of the funds be used specifically for the treatment and abatement of opioids and (2) ensure the participation of specific cities and counties within the State.

Mississippi has suffered great loss and I am committed to ensuring every dollar our State and local governments is due remains in Mississippi and is not clawed back by the defendants. To that end, we worked with the University of Mississippi Medical Center to create a program that meets the opioid abatement requirements for the State. **This will free local governments up to use your funds as you see fit without a national fund administrator micromanaging their use.**

UMMC's Center for Addiction Medicine (CAM) will provide a patient-centered treatment program for patients of all ages and across the State through a continuum of inpatient, outpatient, and chronic care settings. This will include leveraging UMMC's Center for Telehealth and utilizing existing and new collaborative community partnerships to address healthcare disparities in rural Mississippi.

The national settlement proposed a split of funds due to each state as: 70% to an abatement fund, 15% to a State fund, 15% to a local government fund. And, we propose to follow the same allocation formula in Mississippi. However, **we also want to use a portion of the State fund to help local governments meet their contractual obligations to their attorneys who have helped to bring us to these settlements.**

My office has created a website (<https://www.ago.state.ms.us/opioidsettlement/>) with information related to the settlements, including the maximum amount your community will receive if all required local governments participate. **Again, under the terms of the settlement agreements, you will lose funds unless all specific counties and cities agree to participate.**

Here is what you need to do next to help your community get the full amount of funds it is due under these settlements:

1. Sign and return the attached Memorandum of Understanding (MOU). The MOU may be submitted by email to opioidsettlement@ago.ms.gov or by using the submission portal at <https://www.ago.state.ms.us/opioidsettlement>.
2. Register your community on the national settlement website (<https://nationalopioidsettlement.com>) and complete the required documents. The website requires the entry of a unique identifier code to register your city or county. Please email opioidsettlement@ago.ms.gov to request your code.

The deadline for the State and our local governments to participate is January 2, 2022. If you are unable to register using your assigned participation code or have additional questions after reviewing the website, please contact Ta'Shia Gordon at (601) 359-3070 or send an email to opioidsettlement@ago.ms.gov.

Thank you in advance for your time and cooperation. Mississippi led the country in fighting the industry that spawned and fueled the opioid epidemic. We have the opportunity with this settlement to continue to lead the country in abating the opioid epidemic, as well.

Sincerely,



Lynn Fitch
Attorney General
State of Mississippi

MISSISSIPPI STATE-LOCAL GOVERNMENT OPIOID LITIGATION MEMORANDUM OF UNDERSTANDING

WHEREAS, the people of the State and its communities have been harmed by the actions and nonfeasance committed by certain entities within the Pharmaceutical Supply Chain; and,

WHEREAS, the State, through its Attorney General, and certain Local Governments, through their elected representatives and counsel, are separately engaged in litigation seeking to hold Pharmaceutical Supply Chain Participants accountable for the damage caused by their actions and nonfeasance; and,

WHEREAS, the State, through its Attorney General, and its Local Governments share a common desire to abate and alleviate the harmful impacts throughout the State;

NOW THEREFORE, the State and its Local Governments, subject to completing formal documents effectuating the Parties' agreements, enter into this Memorandum of Understanding ("MOU") relating to the allocation and use of the proceeds of Settlements described herein.

A. Definitions

As used in this MOU:

1. "The State" shall mean the State of Mississippi acting through the Attorney General.
2. "The Parties" shall mean the State and Counties and Municipalities as defined herein.
3. "Settlement" shall mean the negotiated resolution of legal or equitable claims against a Pharmaceutical Supply Chain Participant when that resolution has been jointly entered into by the State and the Local Governments.
4. "Opioid Funds" shall mean monetary amounts obtained through a Settlement as defined in this MOU.
5. "County" shall mean one of the 82 governmental subdivisions in the State recognized and/or established under the Mississippi Constitution of 1890 that filed a lawsuit against settling Pharmaceutical Supply Chain Participants as of August 1, 2021, or has a population greater than 10,000 individuals.
6. "Municipalities" shall mean cities, towns, or villages within the State with a population greater than 10,000 individuals and shall also include all cities and towns that filed a lawsuit against settling Pharmaceutical Supply Chain Participants as of August 1, 2021. The singular "Municipality" shall refer to a singular of the Municipalities.

7. "Pharmaceutical Supply Chain" shall mean the process and channels through which Controlled Substances are manufactured, marketed, promoted, distributed, or dispensed.
8. "Pharmaceutical Supply Chain Participant" shall mean any entity that engages in or has engaged in the manufacture, marketing, promotion, distribution, or dispensing of an opioid analgesic.
9. "Population" shall refer to published U.S. Census Bureau population estimates as of July 1, 2019, released March 2020, and shall remain unchanged during the term of this MOU. These estimates can currently be found at <https://www.census.gov>.

B. Allocation of Settlement Proceeds

1. All the Opioid Settlement Funds will be deposited into the Attorney General Contingency Fund and thereafter allocated as set forth below:
 - (a) County/Municipality Fund - 15%. The County/Municipality fund will receive 15% of all Settlement funds for the direct benefit of Mississippi Counties and Municipalities. The amounts to be distributed to each County and Municipality shall be determined by the Negotiation Class Metrics or other Metrics agreed upon, in writing, by a County and Municipality. Such funds may be spent for opioid abatement, or any purpose deemed appropriate by said County or Municipality.
 - i. A County or Municipality may receive direct payments from this fund only if it executes a timely release as part of the settlement.
 - ii. A non-litigating City or Town with a population under 10,000 shall not receive direct payments, but its payments shall instead be allocated to the County in which it is located.
 - (b) State of Mississippi - 15%. The State will receive 15% of all Opioid Funds paid to the State General Fund.
 - (c) University of Mississippi Medical Center's Center for Addiction Medicine (CAM) - 70%. The CAM will receive 70% of all Opioid Funds to establish a new multidisciplinary program through Mississippi's only academic medical center dedicated to both short-term and long-term opioid abatement. In the short-term, CAM will provide a patient-centered treatment program for patients of all ages and across the State through a continuum of inpatient, outpatient, and chronic care settings. This will include leveraging UMMC's Center for Telehealth and utilizing existing and new collaborative community partnerships to address healthcare disparities in rural Mississippi. In the long-term, CAM will become a hub for training medical professionals, including those in pharmacy, nursing, and emergency medicine, to screen, diagnose, and treat individuals

with addiction disorders. CAM will make Mississippi a nationally recognized leader in addiction research and treatment.

C. Payment of County/Municipality Counsel and Litigation Expenses

The Parties anticipate that any national settlement will provide for the payment of fees and litigation expenses to counsel for certain Counties and Municipalities. All County/Municipality counsel that seeks attorneys' fees and expenses from their clients shall first seek to recover those amounts from the national settlement. Furthermore, the Parties agree to create a supplemental fee and expense fund (the "County/Municipality Fee Fund" or "CMFF").

1. The CMFF shall be used to pay attorneys' fees and expenses for participating Counties/Municipalities in the State that filed opioid lawsuits on or before August 1, 2021 ("Litigating Participating Counties/Municipalities").
2. The amount of funds to be deposited in the CMFF shall be contingent upon the overall percentage of Incentive Payments awarded to the State under the national settlements and paid pursuant to the following table. In no circumstance shall the CMFF receive more than 7.5% of the net Total Cash Value received by the State, including any funds received from a national fee fund as described above. If the State does not receive at least 65% of the total available Incentive Payments, the CMFF shall be null and void, and no amounts shall be paid into it.

PERCENTAGE OF INCENTIVE PAYMENTS AWARDED	CMFF PERCENTAGE
65%	2%
70%	3%
75%	4%
80%	5%
85%	6%
90%	6.5%
95%	7%
100%	7.5%

3. The Parties further agree no counsel for any Litigating Participating County/Municipality shall recover from any national fee fund and the CMFF a combined contingency fee of more than 15% of the Total Cash Value received by their Litigating Participating County/Municipality client. If there are any funds remaining in the CMFF after payment of fees and expenses consistent with the terms of this MOU, those funds shall revert pro rata to the Litigating Participating Counties/Municipalities.

E. Amendments, Choice of Law, Venue, Consent Decree

1. The Parties agree to make such amendments as necessary to implement the intent of this MOU.
2. The Parties agree that this MOU, any amendments thereto, and any issue arising out of or related to this MOU shall be governed by and interpreted according to the laws of the State of Mississippi. Any action to enforce or interpret this MOU, or to resolve any dispute concerning it, shall be commenced and maintained only in a court of competent jurisdiction in Hinds County, Mississippi. The Parties understand and agree that, in connection with a settlement with any Pharmaceutical Supply Chain Participant, the State may file an appropriate action in a court of competent jurisdiction in Hinds County, Mississippi seeking a consent decree approving such settlement and the allocation of Opioid Funds within the State pursuant to this MOU.
3. The Parties agree that this MOU will apply to any Settlement with a Pharmaceutical Supply Chain Participant that requires State and County/Municipality resolution.

F. Signatures

This MOU may be signed and executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. A signature transmitted by facsimile or electronic image shall be deemed an original signature for purposes of executing this MOU. Each person signing this MOU represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this MOU, and that all necessary approvals and conditions precedent to his or her execution have been satisfied.

FOR PLAINTIFF THE STATE OF MISSISSIPPI:

Attorney General

FOR _____:
County/Municipality

Signature

Printed Name and Title