

Staff Report

Subject: Acceptance of Effingham County's formula amount from the national Johnson & Johnson opioid settlement

Author: Mark W. Barnes, Finance Director

Department: Finance Department

Meeting Date: 1/3/23

Item Description: Consideration to accept Effingham County's formula amount from the Johnson & Johnson opioid settlement. Effingham will receive one installment of 17,715.95 and one installment of 18,010.84.

Summary Recommendation:

Staff is recommending acceptance of Effingham County's formula amount of the national Johnson & Johnson opioid settlement.

Executive Summary:

Nationwide settlements have been reached to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health and AmerisourceBergen ("Distributors"), and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (collectively, "J&J"). These settlements will provide substantial funds to states and subdivisions for abatement of the Opioids epidemic across the country and will impose transformative changes in the way the settling defendants conduct their business.

Pursuant to Section IV.B and Exhibit M of the Distributor Settlement Agreement, Georgia's Total Payment Year 1 amount is \$22,099,695.20, Total Payment Year 2 amount is \$23,225,702.28.

Effingham County's formula allocation amounts to \$17,715.95 for Year 1 and \$18,010.84 for Year 2.

Background:

1. There is no cost share requirement or match requirement for these funds.
2. There are caveats and exceptions, but in the main these funds must be spent on opioid remediation purposes as described in the settlement agreement.
3. Finance had to move quickly to not miss the deadline – we are working with EMS on a spending plan for these funds.
4. If funds are accepted, Finance will be requesting a budget amendment from the Board for approval of the spending plan for these funds.

Alternatives for Commission to Consider:

1. Approve to accept Effingham County's formula amount of funds from the settlement.

2. Do not approve to accept Effingham County's formula amount of funds from the settlement.
3. Provide staff with direction.

Recommended Alternative:

Staff recommends Alternative number 1 – Approve to accept Effingham County's formula amount of funds from the settlement.

Other Alternatives:

N/A

Department Review: *(list departments)*

Finance

Funding Source:

None

Attachments:

National opioid settlement allocation notice
Excerpt of section E-1 from settlement agreement