



CITY OF GROSSE POINTE WOODS DEPARTMENT OF PUBLIC SAFETY

Date: March 29, 2023
To: Frank Schulte, City Administrator *F.S.*
From: John G. Kosanke, Director of Public Safety
John G. Kosanke
Subject: National Opioid Settlement Participation

On December 20, 2021, the City of Grosse Pointe Woods received City Council approval to participate in proposed nationwide opioid litigation settlements by registering with the State of Michigan. The settlements were reached over years of negotiations with pharmaceutical distributors including McKesson, Cardinal Health and AmerisourceBergen, and one manufacturer – Janssen Pharmaceuticals, Inc. and its parent company, Johnson & Johnson. The settlements require the distributors to implement safeguards to prevent the over-prescription of opioids and place restrictions on the marketing, sale, and distribution of opioids. Specific details can be found at <https://nationalopioidsettlement.com>.

Since that time, nationwide settlements relating to the distribution and sale of opioids have been reached against two national pharmacies, CVS and Walmart, and against two pharmaceutical companies, Teva Pharmaceutical Industries and AbbVie/Allergan. The new settlements require the distributors to pay up to \$16.5 billion dollars to municipal entities across the country for over thirteen years. The settlements are primarily earmarked for participating states and subdivisions to remediate and abate impacts of the opioid crisis and also include the payment of attorney fees for subdivisions that hired counsel to sue these companies on their behalf (“Litigating Subdivisions”). The State of Michigan has chosen to participate in these settlements and will provide a higher payment to local subdivisions than what was proposed in the national settlements. The State of Michigan is expected to receive payment of an estimated \$450 million dollars from the new settlements. It has not yet been determined what dollar amount would be received by the City of Grosse Pointe Woods.

The funds would be used for First Responder training in addition to the expansion of training for schools, community support programs, and families. The primary use of the training would be to educate law enforcement regarding the appropriate practices and precautions when dealing with fentanyl or other drugs. The funds would also be used to provide wellness and support services for first responders and others who experience secondary trauma associated with opioid-related emergency events.

The terms of the proposed settlement have been reviewed by City Attorney Debra Walling and a Resolution to approve the opting-in for the National Opioid Litigation Settlements with CVS, Walmart, Teva, Allergan and other defendants has been created. A draft of the resolution is attached. I recommend that the resolution and the documents pertaining to the settlement be approved and signed by the City Administrator.

The deadline to request participation in the settlement is April 18, 2023.

CITY OF GROSSE POINTE WOODS

**RESOLUTION APPROVING OPTING-IN TO THE NATIONAL OPIOID LITIGATION
SETTLEMENTS WITH CVS, WALMART, TEVA AND ALLERGAN AND OTHER
DEFENDANTS IN THE NATIONAL OPIOID LITIGATION**

At a regular meeting of the City Council of the City of Grosse Pointe Woods on April 3, 2023, at 7:00 P.M., with those present and absent being,

PRESENT: _____

ABSENT: _____

the following preamble and resolution were offered by _____ and supported by _____:

WHEREAS, after several years of negotiation, nationwide settlements relating to the distribution and sale of opioids have been reached against two national pharmacies, CVS and Walmart and against two pharmaceutical companies, Teva Pharmaceutical Industries and AbbVie/Allergan. These settlements are in addition to the settlements previously approved in 2021 with distributors, McKesson, Cardinal Health and AmerisourceBergen and one manufacturer, Janssen Pharmaceuticals, Inc., and its parent company Johnson & Johnson. The settlements require the companies to pay up to \$16.5 billion dollars to municipal entities across the country over 13 years. The settlement payments are primarily earmarked for participating states and state subdivisions to remediate and abate impacts of the opioid crisis and also include the payment of attorney fees for subdivisions that hired counsel to sue these companies on their behalf ("Litigating Subdivisions"); and

WHEREAS, the settlements place numerous requirements on the companies to implement safeguards to prevent the over distribution and sale of opioids. Michigan has chosen to participate in each of these settlements and has negotiated a settlement agreement with the Litigating Subdivisions that will provide a higher payment to local subdivisions than what was proposed in the national settlements; and

WHEREAS, the City has received notice that it is eligible to participate in the settlements. Any funds received from the settlements must be spent on opioid remediation, which is defined in the settlement agreements. However, if a majority of governments that sued the companies do not accept the settlements, the proposed deals will fail, and litigation will continue; and

WHEREAS, the four proposed settlements require the participating subdivisions to agree to the settlement terms. The settlements require: i) an agreement to the terms of the settlements; ii) a release of claims; iii) an agreement that monies received can only be spent on opioid remediation and; iv) a consent to the jurisdiction of the Court where the Settlement Judgment is filed; and

WHEREAS, additional settlements with other defendants are anticipated, with similar terms and conditions.

