

Global Opioid Settlement



SUMMARY OF PROPOSED OPIOID SETTLEMENTS

BACKGROUND

Texas, along with a broad coalition of states and subdivisions, has now reached final agreements with twelve companies to resolve legal claims for their role in the opioid crisis. The newest agreement is with retail pharmacy Kroger. Four agreements are with opioid manufacturers Johnson & Johnson, Endo, Teva, and Allergan. There is a separate agreement with three major pharmaceutical distributors: AmerisourceBergen, Cardinal Health, and McKesson, as well as a settlement reached through bankruptcy with Mallinckrodt, a manufacturer and distributor. Finally, there are three separate settlements with pharmacies CVS, Walgreens, and Walmart.

FINANCIAL TERMS

Nationally, the agreements reached with manufacturers, distributors, and pharmacies provide for over \$50 billion in payments for states and local governments. Funding is distributed to states according to the allocation agreement reached among the Attorneys General. A subdivisions can only participate in the agreements if their state participates. The recent settlement with Kroger brings Texas' combined share to almost \$3 billion, with Kroger paying over \$83 million to Texas. Distribution within Texas is governed by the Texas Term Sheet, an intrastate agreement between the state and litigating subdivisions, and administered by the Opioid Council. The funding must be used to support any of a wide variety of strategies to fight the opioid crisis. Separate provisions exist to compensate attorneys who have pursued opioid litigation on behalf of states and local governments. The more subdivisions that join the settlements, the more money everyone in Texas will receive. Future opioid litigation by non-participating entities may result in suspension and reduction of future payments. Even without full resolution of claims, states and subdivisions can still receive substantial payments by resolving a significant portion of current and future claims.

INJUNCTIVE TERMS

All the settlement agreements contain industry-changing injunctive terms. The distributors will be subject to more oversight and accountability, including an independent monitor, to prevent deliveries of opioids to pharmacies where diversion and misuse occur. They will be required to establish and fund an independent clearinghouse to track opioid

distribution nationwide and flag suspicious orders. The pharmacies will also be subject to this oversight and will be participating in the clearinghouse. J&J, Endo, Teva, and Allergan will be prohibited from selling or promoting opioids.

HOW TO JOIN THE NEW KROGER SETTLEMENT

To officially join the Kroger settlement, you need to:

- 1. sign the <u>Subdivision Participation Form (/sites/default/files/files/press/files/2024/Kroger-Subdivision-Participation-Form.pdf)</u>;
- 2. return the participation form to $\underline{opioids@oag.texas.gov}$ (mailto:opioids@oag.texas.gov) no later than December 29, 2024.

*Note, if you have previously adopted the Texas Term Sheet to join the Distributors, J&J, Teva, Endo, Allergan, CVS, Walgreens, and Walmart settlements, there is no need to readopt the Texas Term Sheet and/or resend that Term Sheet to OAG for the Kroger Settlement.

HOW TO JOIN THE ALLERGAN, CVS, WALGREENS, AND WALMART SETTLEMENTS

To officially join the Allergan, CVS, Walgreens, and Walmart settlements, you need to:

- 1. sign the Subdivision Participation Form for each settlement.
- 2. return all four documents to opioids@oag.texas.gov (mailto:opioids@oag.texas.gov) no later than April 18, 2023.

*Note, if you have previously adopted the Texas Term Sheet to join the Distributors, J&J, Teva, and/or Endo settlements, there is no need to readopt the Texas Term Sheet and/or resend that Term Sheet to OAG for Allergan, CVS, Walgreens, and Walmart settlements.

The deadline for subdivisions in Texas to sign on to the Allergan, CVS, Walgreens, and Walmart settlements was April 18, 2023. If your subdivision has not yet joined, you may still have an opportunity to do so. Please get these documents emailed to opioids@oag.texas.gov (mailto:opioids@oag.texas.gov) as soon as possible.

HOW TO JOIN THE TEVA SETTLEMENT

To officially join the Teva settlements, you need to:

- 1. Sign the Teva TX Subdivision Release Form;
- 2. Return the Teva TX Subdivision Release Form to opioids@oag.texas.gov (mailto:opioids@oag.texas.gov).
- *Note, if you have previously adopted the Texas Term Sheet to join the Distributors and J&J settlements, there is no need to readopt the Texas Term Sheet and/or resend that Term Sheet to OAG for the Teva settlement.

The deadline for subdivisions in Texas to sign on to the Teva settlement was March 10, 2022. If your subdivision has not yet joined, you may still have an opportunity to do so. Please get these documents emailed to opioids@oag.texas.gov (mailto:opioids@oag.texas.gov) as soon as possible.

HOW TO JOIN THE ENDO SETTLEMENT

To officially join the Endo settlements, you need to:

- 1. Sign the Endo TX Subdivision Release Form;
- 2. Return the Endo TX Subdivision Release Form to opioids@oag.texas.gov (mailto:opioids@oag.texas.gov).
- *Note, if you have previously adopted the Texas Term Sheet to join the Distributors and J&J settlements, there is no need to readopt the Texas Term Sheet and/or resend that Term Sheet to OAG for the Endo settlement.

The deadline for subdivisions in Texas to sign on to the Endo settlement was March 10, 2022. If your subdivision has not yet joined, you may still have an opportunity to do so. Please get these documents emailed to opioids@oag.texas.gov (mailto:opioids@oag.texas.gov) as soon as possible.

HOW TO JOIN THE DISTRIBUTORS AND J&J SETTLEMENTS

To officially join the Distributors and J&J settlements, you need to:

- 1. Sign the Subdivision Settlement Participation Forms (one for JNJ and one for the Distributors);
- 2. Adopt the Texas Term Sheet and its intrastate allocation schedule;
- 3. Return all three documents (the Subdivision Participation Form JNJ, the Subdivision Settlement Participation Form Distributors, and your resolution adopting the Texas Term Sheet) to opioids@oag.texas.gov (mailto:opioids@oag.texas.gov).

Subdivisions in participating states had through January 26, 2022, to join. If your subdivision has not yet joined, you may still have an opportunity to do so. Please get these documents emailed to opioids@oag.texas.gov as soon as possible.

GLOBAL OPIOID SETTLEMENT DOCUMENTS

General Opioid Settlement Information and Documents:

• Global Opioid Settlement PowerPoint Presentation

 $\underline{(https://www.texas attorneygeneral.gov/sites/default/files/images/admin/2021/Global\%20Opioid\%20Settlement\%20Files/Global\%20Website.pdf)}\\$

• Opioid Settlement One Pager

 $\underline{(https://www.texas attorneygeneral.gov/sites/default/files/images/admin/2021/Global\%20Opioid\%20Settlement\%20Files/Opioid\%20Settlement\%20Settlemen$

• <u>List of Uses for Opioid Remediation Funds</u>

 $\underline{(https://www.texas attorneygeneral.gov/sites/default/files/images/admin/2021/Global\%20Opioid\%20Settlement\%20Files/List\%20opioid\%20Settlement\%20Files/List\%20Opioid\%20Settlement\%20Files/List\%20Opioid\%20Settlement\%20Files/List\%20Opioid\%20Settlement\%20Files/List\%20Opioid\%20Settlement\%20Files/List\%20Opioid\%20Settlement\%20Files/List\%20Opioid\%20Settlement\%20Files/List\%20Opioid\%20Settlement\%20Files/List%20Opioid\%20Settlement\%20Files/List\%20Opioid\%20Settlement\%20Files/List\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Opio$

• Texas Term Sheet

(https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Settlement

• <u>Sample Resolution</u>

(https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%200pioid%20Settlement%20Files/Sample_F

Kroger Settlement Documents:

- $\underline{ Final\ Kroger\ Settlement\ Agreement\ (/sites/default/files/files/press/files/2024/PSC-TX-OAG-Kroger-Texas-Statewide-Opioid-Settlement.pdf)}$
- $\underline{ Subdivision\ Participation\ Form\ (Kroger)\ (/sites/default/files/files/press/files/2024/Kroger-Subdivision-Participation-Form.pdf)}$

Allergan, CVS, Walgreens, and Walmart Settlement Documents:

• Final Allergan Global Settlement Agreement

 $\underline{(https://www.texasattorneygeneral.gov/sites/default/files/images/press/Final\%20Allergan\%20Global\%20Agreement\%20and\%20Exaction (and the pression of the pre$

• Final CVS Global Settlement Agreement

(https://www.texasattorneygeneral.gov/sites/default/files/images/press/2022-12-

09%20CVS%20Global%20Settlement%20Agreement%20with%20Exhibits%20(003).pdf)

• Final Walgreens Settlement Agreement

(https://www.texasattorneygeneral.gov/sites/default/files/images/press/2022-12-

09%20Walgreens%20Multistate%20Agreement%20and%20Exhibits.pdf)

• <u>Final Walmart Settlement Agreement</u>

• Subdivision Participation Form (Allergan)

(https://www.texasattorneygeneral.gov/sites/default/files/images/press/Settlement Participation Form Allergan%20(2) 0.pdf)

• Subdivision Participation Form (CVS)

(https://www.texasattorneygeneral.gov/sites/default/files/images/press/Settlement Participation Form CVS 0.pdf)

• <u>Subdivision Participation Form (Walgreens)</u>

(https://www.texasattorneygeneral.gov/sites/default/files/images/press/Settlement_Participation_Form_Walgreens%5B20%5D_0.p

• Subdivision Participation Form (Walmart)

 $\underline{(https://www.texas attorneygeneral.gov/sites/default/files/images/press/Walmart\%20Subdivision\%20Participation\%20Form_0.pdf)}$

Distributor and J&J/Janssen Settlement Documents:

• Final Distributor Settlement Agreement

 $\underline{(https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global\%20Opioid\%20Settlement\%20Files/Final\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid\%20Settlement\%20Opioid$

• Final Janssen Settlement Term Sheet

(https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Final%20

• Subdivision Participation Form (JNJ)

(https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%200pioid%20Settlement%20Files/Subdivision (https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%200pioid%20Settlement%20Files/Subdivision (https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%200pioid%20Settlement%20Files/Subdivision (https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%200pioid%20Settlement%20Files/Subdivision (https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%200pioid%20Settlement%20Files/Subdivision (https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivision (https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivision (https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivision (https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivision (https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivision (https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivision (https://www.texasattorneygeneral.gov/sites/default/files/sites/default

• Subdivision Participation Form (Distributors)

(https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivisients/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivisients/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivisients/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivisients/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivisients/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivisients/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivisients/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivisients/sites/default/files/images/admin/2021/Global%20Opioid%20Settlement%20Files/Subdivisients/sites/s

Endo Settlement Documents:

• Endo TX Subdivision Release Form

• Final Endo Settlement Term Sheet

(https://www.texasattorneygeneral.gov/sites/default/files/global/files/Texas%200pioids%20-

%20ENDO%20TX%20Settlement%20Term%20Sheet%20(12.23%20FINAL).pdf)

Teva Settlement Documents:

- <u>Final Teva Settlement Term Sheet (https://www.texasattorneygeneral.gov/sites/default/files/global/files/Teva%20-%20Final%20Texas%20AG%20Settlement%202.4.22.pdf)</u>
- Teva TX Subdivision Release Form

 $\underline{(https://www.texas attorneygeneral.gov/sites/default/files/global/files/TEVA\%20TX\%20Subdvision\%20Release\%20Form.pdf)}$

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