



Town of Johnstown

TOWN COUNCIL CONSENT AGENDA COMMUNICATIONS

AGENDA DATE: October 18, 2021

SUBJECT: Colorado Opioid Settlement and MOU Authorization

ACTION PROPOSED: Consider Approving the Opioid Settlement Including the MOU Authorization, Participation Forms, and Colorado Escrow Agreement

ATTACHMENTS:

1. Colorado Opioid Settlement MOU (dated August 26, 2021)
2. Colorado Opioid Settlement MOU Summary
3. Colorado Opioid Settlement MOU FAQ
4. Distributor Opioid Settlement Participation Form (Exhibit K – Subdivision Settlement Participation Form)
5. Janssen Opioid Settlement Participation Form (Exhibit K – Settlement Participation Form)
6. Local Government Opioid Escrow Agreement (Colorado Subdivision Escrow Agreement)

PRESENTED BY: Matt LeCerf, Town Manager

AGENDA ITEM DESCRIPTION:

Enclosed for your review and consideration is an MOU with a series of Participation Forms and an Escrow Agreement to opt into the Colorado Opioid Settlement. This MOU follows the announced settlement with major drug manufacturers and distributors and inclusion into the MOU establishes a framework for distributing nearly \$400 million in opioid settlement dollars throughout the state for addiction treatment, recovery, and prevention programs.

Proceeds from the settlements include:

- \$300 million from Johnson & Johnson and three major drug distributors;
- At least \$50 million from Purdue Pharma and the Sacklers;
- \$25 million from Mallinckrodt; and
- \$10 million from McKinsey & Company.
- These dollars will be distributed to 19 regions, local governments, the state, and infrastructure needs.

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The allocation and distribution of these funds are established in the primary MOU as follows:

- 10% directly to the State (“State Share”)
- 20% directly to Participating Local Governments (“LG Share”)
- 60% directly to Regions (“Regional Share”)
- 10% to specific abatement infrastructure projects (“Statewide Infrastructure Share”)

Under the Colorado MOU, all settlement funds must be used only for “Approved Purposes,” a long and broad list that focuses on abatement strategies. These strategies emphasize prevention, treatment, and harm reduction. Some examples of these strategies include training health care providers on opioid use disorder (“OUD”) treatment and responsible prescribing, expanding telehealth and mobile services for treatment, and increasing naloxone and rescue breathing supplies. The list of Approved Purposes is broad enough to be flexible for local communities, while ensuring that settlement funds are used to combat the opioid epidemic. The list of Approved Purposes is attached as Exhibit A to the MOU, unless the term is otherwise defined in a settlement.

Assuming the direct distribution to Local Governments is fulfilled by the State, Staff estimates the distribution to Johnstown will be approximately \$100,000 for training, mitigation and other Approved Purposes of the settlement agreement and the MOU.

LEGAL ADVICE:

The Town Attorney has performed a cursory review of the documents given the facts that all local governments are required to enter into the same agreement and terms were already negotiated with the Town represented by CML.

FINANCIAL ADVICE:

Funding will help support police training and other opioid mitigation programming.

RECOMMENDED ACTION: Approve the MOU and Participation Forms

Reviewed and Approved for Presentation,



Town Manager

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