



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6070
May 3, 2022
Consent Agenda

AGENDA BILL INFORMATION

TITLE:	AB 6070: One Washington MOU Among Washington Municipalities	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Authorize the City Manager to Sign One Washington MOU Relating to Allocation and Use of Future Settlement Proceeds from Opioid Litigation	

DEPARTMENT:	City Manager
STAFF:	Jessi Bon, City Manager Bio Park, City Attorney
COUNCIL LIAISON:	n/a
EXHIBITS:	1. One Washington MOU
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda bill is to present the One Washington Memorandum of Understanding (MOU), which establishes the framework for sharing and using settlement proceeds from current litigation between certain Washington municipalities and certain opioid pharmaceuticals, if a settlement(s) is reached.

- Under the MOU, the City of Mercer Island's allocation will be 0.175% of settlement proceeds.
- Settlement proceeds may only be used for approved purposes listed in the MOU, which include the following examples:
 - Programs to treat and prevent opioid use disorder and impacts therefrom (similar to programs currently offered by YFS).
 - Programs to support those in recovery.
 - Assistance to the criminal justice system in dealing with opioid related crimes.
 - Training first responders and law enforcement on responding to opioid emergencies.
 - Medication and supplies for dealing with opioid overdose.

BACKGROUND

Several Washington municipalities are currently litigating claims against McKesson, Cardinal Health, and AmerisourceBergen (Big 3) and Johnson & Johnson (J&J) for their involvement in the opioid epidemic in Washington counties and cities. If a settlement(s) is reached in the litigation, the MOU establishes the framework for sharing the settlement proceeds among those Washington municipalities that approve the settlement(s). Municipalities with populations of 10,000 or more are eligible to sign on to the MOU even if they are not currently litigating claims against the Big 3 or J&J, which the City of Mercer Island is not currently doing.

ISSUE/DISCUSSION

Under the MOU, settlement proceeds will be allocated based on the formula used in prior opioid litigations in other states. To determine the allocation to a county, the formula utilizes: (1) the amount of opioids shipped to the county; (2) the number of opioid deaths that occurred in that county; and (3) the number of people who suffer opioid use disorder in that county. To determine the allocation within a county, the default formula utilizes historical federal data showing how the specific counties and the cities and towns within the counties have made opioid epidemic-related expenditures in the past. 15% of settlement proceeds will be reserved to cover the cost of litigation.

Using the formula for allocation to a county, 26.051% of settlement proceeds will be allocated to municipalities in King County. Using the default formula for allocation within a county, the City of Mercer Island's share is 0.175% of the settlement proceeds (assuming King County and cities within King County do not establish to a different allocation agreement to replace the default formula). A list of Washington municipalities and their respective percentage of allocation under the default formula is set forth in Exhibit B of the MOU.

Settlement funds may only be used for approved purposes. Approved purposes relate to abating and mitigating impacts of the opioid epidemic. Exhibit A of the MOU is the list of approved purposes, which is long and broad. Examples include programs to treat and prevent opioid use disorder and impacts therefrom (similar to programs offered by YFS); programs to support those in recovery; assistance to criminal justice system in dealing with opioid related crimes; training first responders and law enforcement officers on responding to opioid emergencies; and purchase of medication and supplies to combat overdose.

NEXT STEPS

Signing onto the MOU does not preclude the City of Mercer Island from initiating its own litigation against the Big 3 or J&J. It also does not require the City to be bound by any future settlement(s) between the litigating Washington municipalities and the Big 3 and J&J. It merely sets the allocation and use agreement of settlement proceeds should the City choose to participate in a future settlement(s).

RECOMMENDED ACTION

Authorize the City Manager to sign the One Washington MOU, relating to allocation and use of future settlement proceeds from opioid litigation by Washington municipalities, substantially in the form attached as Exhibit 1 to AB 6070.