



CITY OF NOVI CITY COUNCIL
MARCH 20, 2023

SUBJECT: Approval of participating in the National Opioid Litigation settlements with CVS, Walmart, Teva Pharmaceutical Industries and AbbVie/Allergan, agreeing to the terms of the settlements and the release of claims against the companies named in the litigation, agreeing that the funds will be used for opioid remediation and authorizing the Interim City Manager to take such further action as is necessary to receive the settlement funds.

SUBMITTING DEPARTMENT: City Manager

BACKGROUND INFORMATION:

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.

The settlements require the companies to pay up to \$16.5 billion dollars over 13 years. 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. The City has received notice that it is eligible to participate in the settlements.

The Michigan Attorney General's Office has estimated that Novi will receive approximately \$42,515.89 over 13 years from the Teva settlement, \$25,328.94 over 7 years from the Allergan settlement, \$56,238.68 over 10 years from the CVS settlement and \$31,847.09 over 1 to 6 years from the Walmart settlement. The total estimated amount from the four settlements is \$155,930.60. The actual amounts received may vary.

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. 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;
- iv) A consent to the jurisdiction of the Court where the Settlement Judgment is filed.

RECOMMENDED ACTION:

Approval of participating in the National Opioid Litigation settlements with CVS, Walmart, Teva Pharmaceutical Industries and AbbVie/Allergan, agreeing to the terms of the settlements and the release of claims against the companies named in the litigation, agreeing that the funds will be used for opioid remediation and authorizing the Interim City Manager to take such further action as is necessary to receive the settlement funds.