



TOWN COUNCIL

To: Mayor and Town Council
From: Terrence S. Welch, Town Attorney
Through: Bob Scott, Interim Town Manager
Re: Opioid Settlements

Town Council Meeting – February 14, 2023

Agenda Item:

Consider authorizing the Interim Town Manager to execute on behalf of the Town settlement documentation relative to the State of Texas' and other governmental entities' litigation against Allergan, CVS, Walmart and Walgreens for the marketing, sale and dispensing of opioids, and to take all actions incident and related thereto.

Description of Agenda Item:

Several years ago, the State of Texas, along with a broad coalition of states and political subdivisions from across the country, sued three (3) major opioid distributors—McKesson, Cardinal Health and Amerisource Bergen—along with an opioid manufacturer, Johnson & Johnson—for their role in the national opioid crisis. Those manufacturers entered into a settlement agreement with the coalition of states and over governmental entities and upon the request and urging of the Office of the Texas Attorney General, most Texas local governments participated in the settlement. The Town opted to participate in August 2021, with the funds required to be utilized for opioid remediation purposes.

Similarly, the State of Texas and other coalition members have settled their cases against Allergan, CVS, Walmart and Walgreens relative to the marketing, sale and dispensing of opioids, in the following amounts: Allergan—\$135 million; CVS—\$304 million; Walmart—\$170 million; and Walgreens—\$340 million. Again, the Office of the Attorney General has strongly encouraged Texas political subdivisions to participate in the settlement, with settlement amounts for each political subdivision yet undetermined. Settlement amounts will be based upon the number of participating governmental entities, and proceeds will be spent on additional opioid remediation. The Attorney General's Office has indicated that settlement discussions are proceeding against numerous other defendants in the opioid industry. Detailed information about the State of Texas' opioid litigation efforts may be found on the Texas Attorney General's website.

Budget Impact:

At the present time, the amount of funds to be received by the Town is unknown.

Legal Obligations and Review:

The settlement documentation to be provided to the Office of the Attorney General has been approved by the Town Attorney.

Attached Documents:

1. Settlement Form. (The Settlement Forms for each of the four defendants are identical.)

Town Staff Recommendation:

Town staff recommends the Town Council authorize the Interim Town Manager to execute on behalf of the Town settlement documentation relative to the State of Texas' and other governmental entities' litigation against Allergan, CVS, Walmart and Walgreens for the marketing, sale and dispensing of opioids.

Proposed Motion:

I move to authorize the Interim Town Manager to execute on behalf of the Town settlement documentation relative to the State of Texas' and other governmental entities' litigation against Allergan, CVS, Walmart and Walgreens for the marketing, sale and dispensing of opioids, and to take all actions incident and related thereto.