



CITY COUNCIL MEMO

TOPIC: OPIOID SETTLEMENT FUNDS

DATE: 11-03-22

BACKGROUND

Nationwide settlements have been reached to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health and AmerisourceBergen ("Distributors"), and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (collectively, "J&J"). These settlements will provide substantial funds to states and subdivisions for abatement of the Opioids epidemic across the country and will impose transformative changes in the way the settling defendants conduct their business.

Approximately \$333 million will be awarded to Oregon from the Distributor and Janssen Settlement Agreements over the course of 18 years, beginning in 2022. Forty-five percent (45%) of the opioid settlement funds will be allocated to a new Opioid Settlement Prevention, Treatment & Recovery fund managed by the Oregon Health Authority. Fifty-five percent (55%) will be paid directly to local jurisdictions (cities and counties with populations over 10,000). Oregon anticipates receiving additional opioid settlement funds from other lawsuits. However, the timing, amount, and allowable uses of these funds are currently unknown. Examples for how these funds may be used include, but are not limited to:

- Expanding access to naloxone, sterile syringes, and other harm reduction supplies
- Increasing medication-assisted treatment availability
- Providing treatment and recovery support services such as inpatient treatment, outpatient therapy, or recovery housing
- Expanding treatment and recovery services to pregnant and postpartum individuals
- Expanding treatment and recovery services to individuals within and transitioning out of the criminal justice system
- Developing opioid prevention education and training programs

The City of St. Helens is a participating subdivision in the settlement and as a jurisdiction over 10,000 in population, receives direct allocations.

The City has received direct allocation of \$11,675.50 thus far from the "Distributors" settlement. Payments will occur over 18 years in annual increments.

RECOMMENDATION

In adhering to the terms of the settlement, funds must be used for opioid prevention, treatment, and recovery strategies.

St. Helens Police are frequently the first to respond to overdose incidents in our community. Staff propose use of settlement funds for Naloxone or other FDA- approved drug to reverse opioid overdose in addition to expanded training, now, and over the life of the settlement payments.