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STATE OF MARYLAND OFFICE OF THE ATTORNEY GENERAL

FACSIMILE NO.

WRITER'S DIRECT DIAL NO.

February 28, 2023

Dear Eligible Maryland Subdivision:

I write to provide you with an update on the recent developments in the opioids litigation. As you are likely aware, at the end of 2022, the Office of the Attorney General provisionally signed on to four new national opioids settlements with Teva Pharmaceuticals (manufacturer), Allergan plc (manufacturer), Walmart (pharmacy chain), and Walgreens (pharmacy chain). Final approval of these settlements is contingent upon sufficient participation among eligible subdivisions and the entry of acceptable consent judgments reflecting the settlement agreements' terms. To that end, you will be receiving soon a subdivision sign-on packet from Rubris, the settlement implementation administrator. Subdivisions must return the subdivision participation forms included in the packet by April 18, 2023 in order to receive full payment under the settlements.

Also included in the sign-on packet will be a State-Subdivision Agreement to govern the intrastate allocation of payments received by the State from these settlements, and I attach it here also. As several subdivisions have suggested, we are proposing the same intrastate allocation terms already agreed upon by the State and its subdivisions in the 2022 Janssen and distributors settlements. As before, subdivisions will receive 70 percent of the total abatement funding allocated to Maryland, with 25 percent coming directly from the Settlement Administrator, and another 45 percent of the total abatement funding distributed to subdivisions in the form of noncompetitive grants from the Maryland Department of Health. The State will receive the remainder of the money allocated to Maryland under the settlements.

We are proposing only a single addition to the agreement that reflects feedback we have received from subdivisions and the Opioid Operational Command Center in the last year. The addition requires reasonable cooperation in implementing the settlements, mainly by the identification of the individuals who manage funds received from the settlements. Over the last year, a number of subdivisions have asked for greater opportunity for coordination and guidance with respect to the most effective utilization of settlement funds for the benefit of Marylanders, and we believe that this additional provision will help facilitate the State's efforts to provide that guidance and coordination.

We will notify you of upcoming briefings for subdivisions and other stakeholders on the structure and payment terms of the new settlements. In the meantime, please feel free to contact your outside counsel or my office (Brian Edmunds can be reached at 410-576-6578 or bedmunds@oag.state.md.us) if you have questions or concerns.

Finally, as I have mentioned to some of you, my Office decided last year not to join the CVS settlement at that time. Given CVS' large role in dispensing opioids in Maryland and the breadth of its release to include its subsidiaries Caremark and Aetna, we are taking a closer look before making a final decision about CVS.

We look forward to continuing to work with you as we all try to combat this deadly opioids epidemic and provide relief for Marylanders who continue to suffer from its harms.

Sincerely,

Anthony G. Brown