



# SC OPIOID SETTLEMENTS AND LEGISLATION

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# TOPICS

1. National settlements with opioid distributors and Janssen
2. State-subdivision opioid agreement
3. South Carolina Opioid Recovery Act
4. South Carolina Opioid Recovery Fund Board
5. Next steps for those interested in seeking funds

# OVERVIEW OF NATIONAL SETTLEMENTS

Resolves claims by states and political subdivisions against the three major opioid distributors.

- Cardinal, McKesson, and AmerisourceBergen.

Also resolves claims against one opioid manufacturer.

- Johnson & Johnson aka Janssen.

Total payments to the states and subdivisions of approximately \$26 billion.

- South Carolina's share is approximately \$361 million.
- Distributor payments over 18 years; Janssen payments over 10 years.

Also includes injunctive relief to protect against future diversion and oversupply.

Other funds will be coming from bankruptcy plans for Mallinckrodt and Purdue.

# OVERVIEW OF NATIONAL SETTLEMENTS

Strict requirements that money be used for approved opioid abatement strategies

Core strategies include the following:

- Naloxone or Other FDA-Approved Drug to Reverse Opioid Overdoses;
- Medication-Assisted Treatment (MAT) Distribution and Other Opioid-Related Treatment;
- Pregnant and Postpartum Women;
- Expanding Treatment for Neonatal Abstinence Syndrome (NAS);
- Expansion of Warm Handoff Programs and Recovery Services;
- Treatment for Incarcerated Population;
- Prevention Programs;
- Expanding Syringe Service Programs; and
- Evidence-Based Data Collection and Research Analyzing the Effectiveness of the Abatement Strategies within the State.

# OVERVIEW OF STATE-SUBDIVISION AGREEMENT

National deal incentivized county/city participation.

- Base/bonus structure where only 55% (distributors)/45% (Janssen) of money was guaranteed.

Reached agreement with 100% participation by counties and cities.

Allocates more than 92% of South Carolina's funds for opioid abatement.

- Settlements require at least 85% of the money be used for approved abatement strategies.

Centralized abatement fund overseen by a 9 member Board.

Administrative responsibilities handled by SFAA.

- Up to 2% of abatement funds allowed for this purpose.

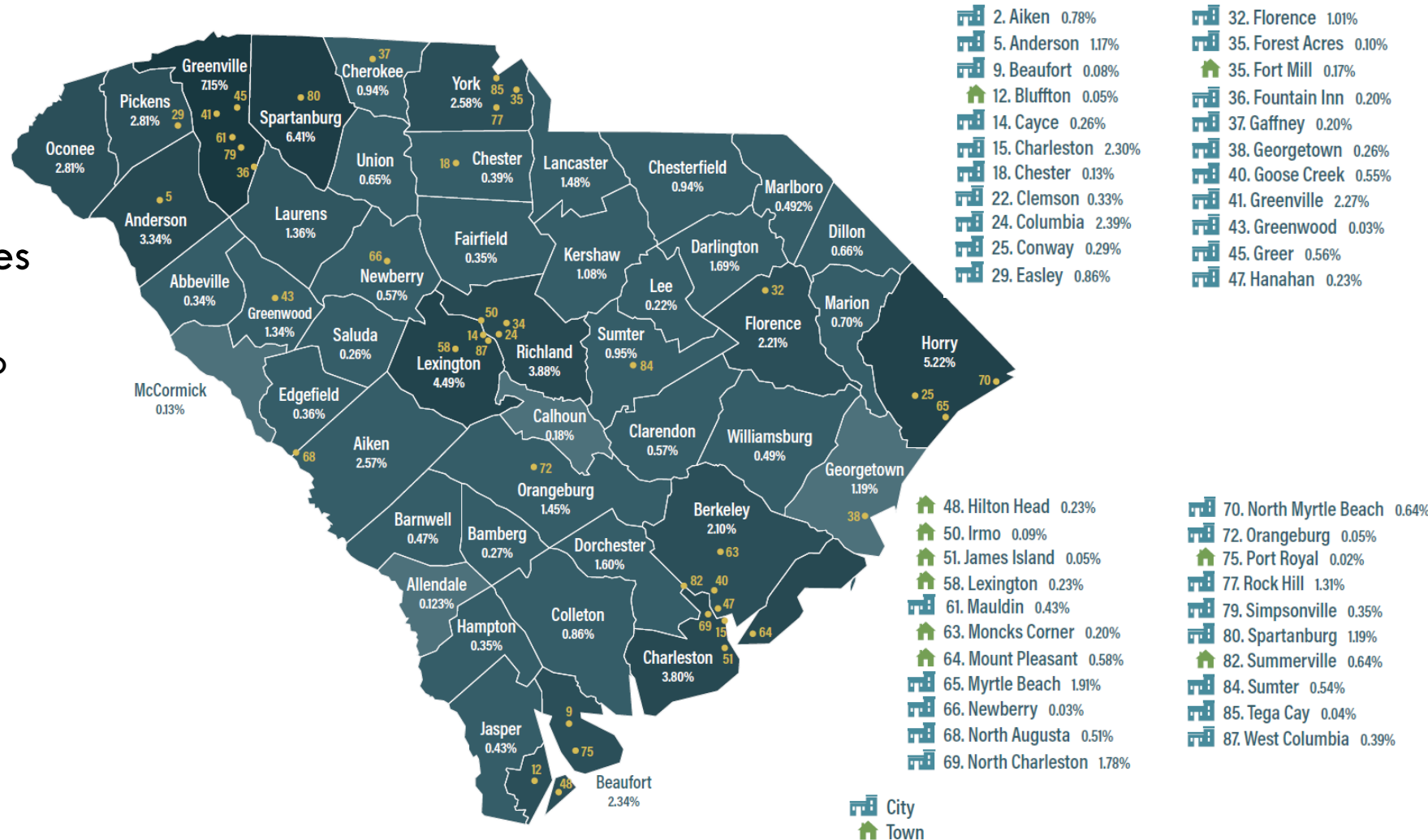
Board will be responsible for reporting how the abatement funds are used.

# OVERVIEW OF STATE-SUBDIVISION AGREEMENT

Approximately 2/3 of abatement fund is “guaranteed” to counties and eligible cities.

- Must still submit requests to the Board for approved abatement strategies.

Divided between counties and cities pursuant to a formula incorporating opioid-harm metrics.



# OVERVIEW OF STATE-SUBDIVISION AGREEMENT

The remaining 1/3 of the abatement is discretionary funding.

The Board will consider any request for discretionary funds and decide, in the professional judgment of its members, whether the request should be approved.

Board members are appointed as follows:

- 1 by the Governor, who serves as chair
- 1 by the Speaker of the House
- 1 by the President of the Senate
- 3 by the Governor, 1 by the Speaker, and 1 by the Senate President, from a list provided by the Association of Counties
- 1 by the Governor from a list provided by the Municipal Association

# SOUTH CAROLINA OPIOID RECOVERY ACT

Act No. 222, will be codified as Title 11, Chapter 58.

The Act has three primary purposes:

1. Create the opioid abatement fund,
2. Create the Board and authorize it to disburse opioid abatement funds, and
3. Bar future claims by state and local governmental entities against the distributors and Janssen.

This statutory bar was important, as 5% of our recovery is contingent on no future litigation.

In addition, Janssen will accelerate the next 4 years of payments into 2022.



# SCORF BOARD

Website available at <https://scorf.sc.gov>



## Board Members:

- Eric Bedingfield, Chair
- Aditi Bussells, Ph. D., Vice-Chair
- Toby Chappell
- Steven Donaldson
- Mayes DuBose, MD
- Martine Helou-Allen
- Gary Mixon
- Lisa Montgomery
- Chief Judge H. Bruce Williams

# NEXT STEPS

October 24, 2022 – applications for guaranteed political subdivision funds and discretionary funds go live on SCORF Board website

- Applications require specifying applicable abatement strategy(ies)
- Ensure requesting entity is registered as a vendor in SCEIS

December 2, 2022 – application deadline for requests for guaranteed political subdivision funds for consideration at 12/8 meeting

December 8, 2022 – SCORF Board Meeting

January 15, 2023 – application for deadline for requests for discretionary funds for consideration at first meeting in 2023 (date TBD)

# NEXT STEPS

More information about the approved abatement strategies can be found on the SCORF Board website

Website will also show available funding for each county and eligible city

DAODAS and the South Carolina Institute of Medicine and Public Health convened a group of experts and created a guide to assist in explaining abatement strategies

