

Opioid Settlement Toolkit for Community-Based Organizations



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INTRODUCTION

In the 1990s, health care professionals began prescribing opioid pain medications with false reassurance from pharmaceutical companies that the opioids were not habit-forming. The resulting misuse, addiction, and overdoses have been devastating—841,000 deaths from drug overdoses since 1999—two-thirds from opioids. Prevention and treatment services are essential in addressing this public health crisis. This toolkit is designed to help community-based organizations understand how to access the funds available for prevention and remediation through recent settlements with pharmaceutical companies, manufacturers, and retailers.

States, localities, and tribes have reached numerous settlements with opioid manufacturers, pharmaceutical distributors, and pharmacies over the last few years. The 2021 settlement, frequently called the “global settlement,”¹ between 47 states and the distributors McKesson, Amerisource-Bergen, and Cardinal Health and drugmaker Johnson and Johnson totaled \$26 billion, to be disbursed over 18 years and frontloaded at the beginning. In 2022, the “big three pharmacies,”² CVS, Walgreens, and Walmart, reached settlements of \$5 billion over 10 years, \$5.7 billion over 15 years, and \$3 billion up front, respectively. After a federal judge held up an earlier deal, Purdue Pharma³ agreed to a higher settlement of \$5.5 billion, with another \$500,000 contingent on selling their pharmaceutical companies. Numerous other smaller settlements have been reached with other entities, including Mallinckrodt (\$1.7 billion), Teva (\$4.25 billion), AbbVie’s Allergan unit (\$2.37 billion), and Endo (\$450 million). In total, \$50.07 billion⁴ has been awarded through settlements with opioid corporations.

The settlement funds will go to states and localities to address the opioid epidemic. The “global settlement,” in particular, requires that at least 85% of the funds go to opioid remediation activities. As funds flow to entities nationwide, community-based organizations must have a seat at the table when decisions are made about how these funds are spent locally. These will be significant investments in the kinds of services our sector provides. The profound impact of the opioid epidemic has made it clear that a considerable part of the solution will be strengthening communities with upstream resources and support.

This guide offers tools and resources to help community-based organizations navigate the complex legal and legislative process and to implement lessons learned from past settlements, like with tobacco companies. Organizations should reach out to relevant stakeholders immediately, as these decisions are being made now in many states.

¹ Mulvihill, Geoff. “J&J, distributors finalize \$26B landmark opioid settlement.” AP, February 22, 2023. <https://apnews.com/article/coronavirus-pandemic-business-health-opioids-camden-dec0982c4c40ad08b2b30b725471e000>

² Pierson, Brendan. “CVS, Walmart, Walgreens agree to pay \$13.8 bln to settle U.S. opioid claims.” *Reuters*, November 2, 2022.

<https://www.reuters.com/business/healthcare-pharmaceuticals/cvs-walmart-walgreens-reach-tentative-12-blb-opioid-pact-bloomberg-news-2022-11-02/>

³ Hoffman, Jan. “Sacklers and Purdue Pharma Reach New Deal With States Over Opioids.” *The New York Times*, March 3, 2022.

<https://www.nytimes.com/2022/03/03/health/sacklers-purdue-oxycontin-settlement.html>

⁴ Minhee, Christine. “The Major Opioid Manufacturers, Distributors and Retainers Have Offered to Settle. Opioid Settlement Pot Exceeds \$50 Billion.” OpioidSettlementTracker.com. Accessed May 24, 2023. <https://www.opioidsettlementtracker.com/globalsettlementtracker/#pot>

GETTING STARTED

1. [Contact your state's office of the attorney general](#) because attorneys general have the primary responsibility for setting the amount and broad parameters of state opioid settlement funds.
2. [Contact your state legislature's judiciary chair](#) and/or the chairs of committees that oversee related services, such as substance use, mental health, or children's services. In many states, judiciary committees are responsible for deciding how the money is spent or creating the taskforce that makes these decisions. Committees that oversee related services offer expertise and provide input into the process as well.

The following are recommendations for preparing to meet with key state decisionmakers:

1. Review the [state-by-state tracker](#) to learn more about your state's process. You can see how each state is making decisions and disbursing funding. This is helpful background information.
2. Consider the [Johns Hopkins principles](#) and how they can be used to frame your conversation around funding distribution.
3. Identify and communicate the benefits your organization can bring to the process. What related experience does your organization have and how can you demonstrate that value to policymakers? Your experience doesn't have to be specifically in substance use treatment, since eligible services include prevention, community supports, and more.
4. Consider positioning yourself, as a leader in your organization, or a person from your community with lived experience, for relevant taskforces or committees that are helping to advise funding decisions. It's important to have a seat at the table in these discussions. Communicate your organization's expertise and ask about opportunities to leverage those resources.

TOOLS

[States' Opioid Settlement Allocation Plans: State-by-State](#)

The nuances and flexibilities of these funds vary by state given the policy decisions made by each state's legislature and taskforces. This tracker provides a state-by-state breakdown of how they plan to spend opioid settlement funds. The tracker is updated periodically by state legislators, attorneys general, and opioid task forces, among other entities. The website also provides an [FAQ on the opioid settlements](#) and includes information on the best [evidence-based abatement programs and services](#).

States' Initial Promises to Publicly Report Their Opioid Settlement Expenditures

This comprehensive website outlines all the public commitments made by states regarding intentions to share their opioid settlement expenditures. Most opioid settlement agreements do not require states and localities to be transparent about how they spend the funds. Thirteen states have communicated that they will report 100% of their settlement expenditures. Nineteen states and Washington, D.C., have promised to report a portion of their expenditures and 18 states have not committed to any reporting requirements.

Opioid Settlements in States Webinar Recording

This webinar, held in September 2021, featured a discussion with Brett Beckerson of the National Council for Mental Wellbeing and Dr. Josh Rising from Rising Health Strategies. They provided an overview of the opioid settlements and how states are navigating their opioid settlement funds. The conversation also included a look at how these settlements were developed, principles for the use of these dollars, and insights on how community and local organizations can be involved in those discussions. The webinar was held through a collaboration between Prevent Child Abuse America chapters, Healthy Families America sites, and Social Current.

Principles for the Use of Funds from the Opioid Litigation

This guide from the Bloomberg School of Public Health at Johns Hopkins University recommends that five principles guide the decision-making process: 1) spend money to save lives; 2) use evidence to guide spending; 3) invest in youth prevention; 4) focus on racial equity; and 5) develop a fair and transparent process for deciding where to spend the funding. We recommend bringing this tool with you to conversations with key decisionmakers in your state to frame your perspective on the way funds should be spent.

Bringing Science to Bear on Opioids

This report outlines findings and recommendations of the Task Force on Public Health Initiatives to Address the Opioid Crisis convened by the Association of Schools & Programs of Public Health. It recommends improving the collection of evidence and epidemiological data, combatting stigma, ensuring access to medications, reducing associated harms, supporting primary prevention efforts, funding research, and advancing program evaluation. The report also offers policy solutions for anti-stigma and harm reduction, primary prevention, and regulatory/legislative reforms.

How Not to Spend an Opioid Settlement

This publication from the JAMA Network outlines five potential mistakes in the use of opioid settlement funds: Using funds to repay past spending or replace current funds; spending the funds right away; spending funds on programs that are ineffective; ignoring predominantly nonwhite communities that have been deeply harmed by the "War on Drugs;" and spending funds without evaluation or monitoring.

Settlement Agreement Language

Read the original language of the global settlement agreement.

ADDITIONAL RESOURCES

[From the War on Drugs to Harm Reduction: Imagining a Just Overdose Crisis Response](#)

FXB Center for Health and Human Rights at Harvard University compiled a series of policy responses that approaches the opioid epidemic from a health equity standpoint. The report points policymakers toward structural changes that will create a policy environment conducive to the adoption of effective and equitable policy.

[Evidence-Based Strategies for Abatement of Harms from the Opioid Epidemic](#)

The Legal Action Center presents the most effective programs for both prevention and treatment, based on meticulous, evidence-based research.

[Origins of the Opioid Crisis and Its Enduring Impacts](#)

This article published in *The Quarterly Journal of Economics* shows that the introduction and marketing of OxyContin was a significant driver of the increase in overdose deaths involving opioids in the past 20 years. The authors use state-by-state data to illustrate that Purdue Pharma found it much harder to introduce and market the drug in states with triplicate prescription programs. Although “triplicate states” had higher rates of overdose deaths prior to 1996, this relationship flipped shortly after the launch and triplicate states saw substantially slower growth in overdose deaths.

[Social Current’s Policy, Advocacy and Communications Toolkits](#)

Social Current offers two toolkits to help leaders in the social sector engage on policy with elected officials, the media, and the wider public. The toolkits include tips on how to run an effective meeting with legislators (virtually or in person), and how to develop a compelling impact story about your organization and the families you serve.