

# Overview of Opioid Settlements

February 11, 2022

By Deputy Attorney General Cori Mills

# Status of Opioid Litigation

- Purdue Pharma – Bankruptcy
- Mallinkrockdt – Bankruptcy
- McKinsey – Settled 2021
- Teva – Complaint filed in 2021
- Cardinal, McKesson, AmerisourceBergen – Settlement Pending
- Johnson & Johnson – Settlement Pending

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*What's being  
discussed today*

# Distributors and J&J Global Settlements: Timeline

- August 2021 – State Sign-On Deadline
- January 2022 – Political Subdivision Sign-On Deadline
- February 2022 – Distributors/J&J determine if there are sufficient sign-ons

# What is the State giving up and what is it getting?

State would dismiss lawsuits and agree not to file a future lawsuit in exchange for money for opioid remediation efforts

# How much money?...it depends

- Agreements incentivize getting as many states and political subdivisions to sign on as quickly as possible.
  - More sign-ons=more money
  - Quicker sign-ons=get more of the money faster
- Incentive Structure for Each State
  - Incentive A – the most money the fastest if all required subdivisions sign-on
  - Incentive B – the most money if sign-on occurs within the first few years but first payments will be smaller
  - Incentive C – likely not to get the most money and further delays certain payments

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# Payment Structure Under Incentive A

*and assuming enough states and subdivisions sign-on to warrant full payments for everyone and assuming the back of the napkin math is correct*

- Total number of payments
  - 18 for Distributors Settlement
  - 11 for J&J Settlement
- Total to Come to Alaska (including subdivisions) - ~\$58 million
- First Payment – April 2022
  - Incentive A means first 5 J&J payments up front - ~\$8 million
  - Distributor payment - ~\$2 million
- Second Payment – July 2022
- Payments will occur thereafter every July

# Default Distribution of Payments

- Political Subdivisions – 15%
- Opioid Abatement Fund (administered by State) – 70%
- State – 15%

# Default Distribution of Payments

- Opioid Abatement Fund (administered by State) – 85%
  - State – 15% (plan to treat it as part of Opioid Abatement Fund)

# Default Distribution of Payments

- Political Subdivisions – 15% (~\$8.7 million)
  - Directly distributed to the nine political subdivisions that had to sign-on to the agreement (based on population)

Anchorage – 47.6578%

Mat-Su Borough – 15.4726%

Fairbanks North Star Borough – 10.9627%

Kenai Borough – 9.4922%

Juneau – 5.2324%

Fairbanks – 5.1226%

Ketchikan – 2.2406%

Kodiak – 2.1839%

Wasilla – 1.6351%

Can the money be spent on anything?

NO!!

Money can only be spent on...

Opioid remediation  
efforts

# Opioid Remediation Efforts include...

- Training on use and distribution of Naloxone or other FDA-approved drug to reverse opioid overdoses
- Medication-assisted treatment distribution and other opioid-related treatment
- Screening, treatment, and services for pregnant and post-partum women identified with an addiction; services for babies with neo-natal abstinence syndrome
- Expansion of warm hand-off programs and recovery services
- Treatment for incarcerated population
- Prevent programs
- Expanding syringe service programs
- Evidence-based data collection and research analyzing the effectiveness of the abatement strategies within the State

# Where does the Advisory Council fit in?

*Advisory Committee.* The Settling State shall designate an Opioid Settlement Remediation Advisory Committee (the “*Advisory Committee*”) to provide input and recommendations regarding remediation spending from that Settling State’s Abatement Accounts Fund.