

# Opioid Settlement Funds

Patrick Patterson, Vice Chair, Opioid  
Advisory Commission

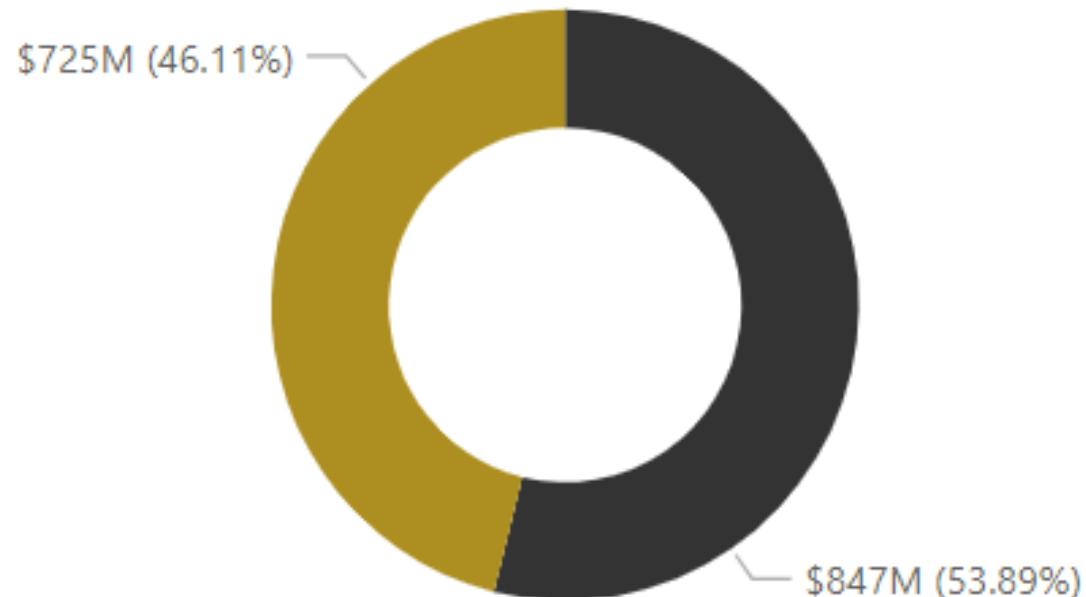
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of Counties



# Opioid Settlements Overview

- Total estimated funds coming to Michigan - **\$1,572,482,366**
  - Total estimated state share - **\$847,440,366**
  - Total estimated subdivision share - **\$725,042,000**
  - Estimated totals from settlements with:
    - Distributors (McKesson, Cardinal Health, and AmerisourceBergen)
    - J&J
    - Walgreens
    - CVS
    - Teva
    - Allergan
    - McKinsey & Co.
    - Mallinckrodt
    - Meijer



# J&J and Distributors Settlements

- The state of Michigan is slated to receive nearly \$776 million over 18 years from two settlements, Distributors (McKesson, Cardinal Health and AmerisourceBergen) and J&J
- 50% of the settlement amount will be sent directly to county and local governments
- Allocation percentages can be found in Exhibit A of the [Michigan State-Subdivision Agreement for Allocation of Distributor Settlement Agreement and Janssen Settlement Agreement](#)
- Distribution to subdivisions began on January 31, 2023
- Tribal settlements are separate

# Pharmacy and Manufacturer Settlements

- Expected to bring in around \$735 million to Michigan
- Sign-on for settlements with CVS, Walmart, Allergan and Teva are complete
- Local subdivision sign-on for Walgreens settlement has started and will end September 6, 2023
- 50% of the settlement amount will be sent directly to county and local governments
- Distribution has not started
- Tribal settlements are separate
  
- Meijer is a separate, non-national, settlement for which 4 counties, 3 cities, and 6 townships received funds during the summer of 2023

# Settlement Requirements

- **Specific to J&J, Distributors, CVS, Teva, Allergan, Walgreens, and Walmart**
- Spend in alignment with Exhibit E and the definition of opioid remediation
- Report biannually in payment portal
  - Report only expenditures that do not align with Exhibit E and/or the definition of opioid remediation
- 85% of funds must be used for opioid remediation, with 70% used for future opioid remediation,
- Exhibit E provides a non-exhaustive list of allowable uses of funds. Qualifying expenditures may include reasonable related administrative expenses.

# Opioid Remediation - Definition

- Care, treatment, and other programs and expenditures (including reimbursement for past such programs or expenditures except where this Agreement restricts the use of funds solely to future Opioid Remediation) designed to
  - **(1)** address the misuse and abuse of opioid products,
  - **(2)** treat or mitigate opioid use or related disorders, or
  - **(3)** mitigate other alleged effects of, including on those injured as a result of, the opioid epidemic.

# Additional Settlements

- Settlements pursuing bankruptcy plans
  - Mallinckrodt is expected to bring in \$37 million to Michigan
    - First payments made in May 2023
    - Potential to not receive all funds
    - 30% to state/non-regional use
    - 70% to regional use
      - 5 counties with direct distribution of funds
      - Remaining funds allocated based on recommendations from Opioids Task Force
  - Expected to take place in the future
    - Purdue Pharma
    - Endo
- \*Distribution process, requirements on spending and reporting are will differ from other settlements

# Allowable Uses & Reporting Requirements

- Allowable uses in the Mallinckrodt settlement are outlined in [Schedule A](#)
- Reporting requirements available at: [National Opioid Abatement Trust II Trust Distribution Procedure](#)
- Qualifying Block Grantees:
  - “At least annually, each Qualifying Block Grantee which has elected to take a Local Government Block Grant shall publish on its lead agency’s or Local Government’s website, and deliver to NOAT II, a report detailing for the preceding time period, respectively (i) the amount of Local Government Block Grants received, (ii) the allocation of awards approved (indicating the recipient, the amount of the grant, the program to be funded and disbursement terms), and (iii) the amounts disbursed on approved allocations. Such annual reports for NOAT II may be combined with any reports submitted by a Qualifying Block Grantee as required in the National Opioid Abatement Trust Distribution Procedures, to the extent set forth in guidance to be provided by the NOAT II Trustees.”
- “As applicable, each State or Local Government shall impose reporting requirements on each recipient to ensure that NOAT II Funds are only being used for Approved Uses, in accordance with the terms of the allocation.”
- Anticipate annual voluntary survey from MAC on all spending



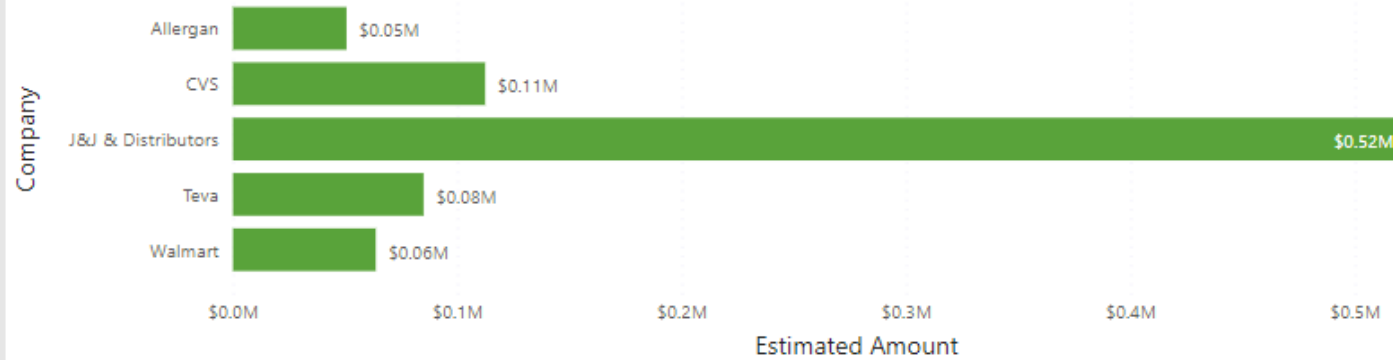
# MAC Settlement Dashboard

## MAC Opioid Settlement: Home Page

Funds provided are estimates and are subject to change

- Funds**
- Technical Assistance
- Engagement
- Planning
- Management
- Strategies

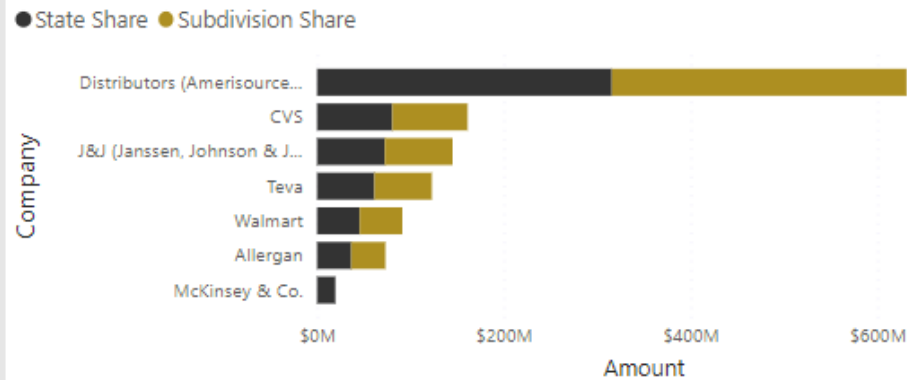
### Settlement Funds by Company for Michigan Counties



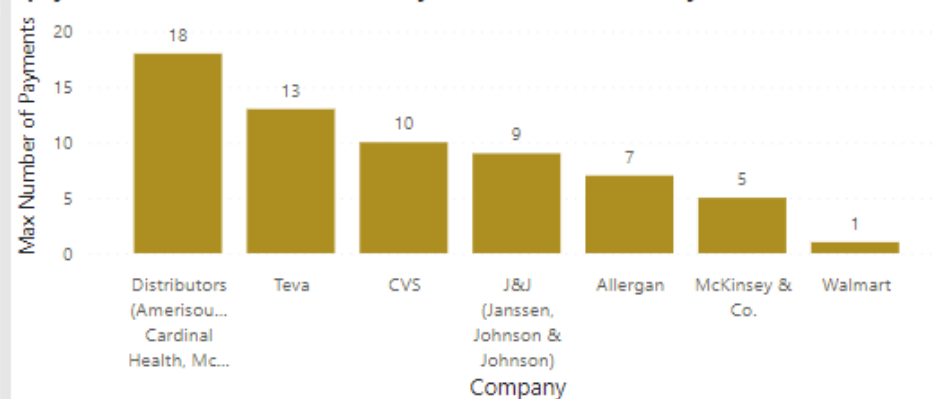
County

Company	Estimated Amount
Walmart	\$63,653.5
Teva	\$84,977.45
J&J & Distributors	\$523,236
CVS	\$112,405.51
Allergan	\$50,625.52
<b>Total</b>	<b>\$834,897.98</b>

### Michigan Opioid Settlements Overview (hover over bars for more information)



### Maximum Number of Payments by Company (payment amounts will differ and may not be received annually)



# Allowable Uses of Funds

# Exhibit E Overview – Core Strategies

- Settlements outline specific strategies for utilization of funds, including:
  - Core Strategies:
    - Naloxone or other FDA-approved drug to reverse opioid overdoses
    - Medication-assisted Treatment (MAT) distribution and other opioid-related treatment
    - Address needs of pregnant and postpartum women
    - Expanding treatment for Neonatal Abstinence Syndrome (NAS)
    - Expansion of warm hand-off programs and recovery services
    - Treatment for incarcerated population
    - Prevention programs
    - Expanding syringe service programs
    - Evidence-based data collection and research analyzing the effectiveness of the abatement strategies within the state

# Exhibit E Overview – Approved Uses

- Approved Uses – Treatment:
  - Treat Opioid Use Disorder (OUD)
  - Support people in treatment and recovery
  - Connect people who need help to the help they need (connections to care)
  - Address the needs of criminal justice-involved persons
  - Address the needs of pregnant or parenting women and their families, including babies with NAS

# Exhibit E Overview – Approved Uses

- Approved Uses – Prevention:
  - Prevent over-prescribing and ensure appropriate prescribing and dispensing of opioids
  - Prevent misuse of opioids
  - Prevent overdose deaths and other harms (harm reduction)

# Exhibit E Overview – Approved Uses

- Approved Uses – Other Strategies:
  - Support first responders
  - Leadership, planning and coordination
  - Training
  - Research

# Spending Principles

# Spending Principles – Johns Hopkins

- Spend money to save lives
- Use evidence to guide spending
- Invest in youth prevention
- Focus on racial equity
- Develop a fair and transparent process for deciding where to spend the funding



# Strategies for adopting the **Spending Principles**

## **Principle 1: Spend money to save lives**

- Establish a dedicated fund
- Supplement rather than supplant existing funding
- Don't spend all the money at once
- Report to the public on where the money is going

## **Principle 2: Use evidence to guide spending**

- Direct funds to programs supported by evidence
- Remove policies that may block adoption of programs that work
- Build data collection capacity

## **Principle 3: Invest in youth prevention**

- Direct funds to evidence-based interventions

## **Principle 4: Focus on racial equity**

- Invest in communities affected by discriminatory policies
- Support diversion from arrest and incarceration
- Fund anti-stigma campaigns
- Involve community members in solutions

## **Principle 5: Develop a fair and transparent process for deciding where to spend the funding**

- Determine areas of need
- Receive input from groups that touch different parts of the epidemic to develop a plan
- Ensure that there is representation that reflects the diversity of affected communities when allocating funds

# Opioid Advisory Commission (OAC)

Public Act 84 of 2022 (MCL 4.1851)

# CHARGE OF THE OAC



## REVIEW STRATEGIES

Review local, state and federal initiatives and activities related to education, prevention, treatment and services for individuals and families affected by SUD and co-occurring mental health conditions



## ESTABLISH PRIORITIES

Establish priorities to address SUD and co-occurring mental health conditions; conduct statewide evidence-based needs assessment



## RECOMMEND FUNDING

Recommend funding initiatives to the legislature; recommend funding for tasks, projects and initiatives that support the objectives of the commission

Public Act 84 of 2022 (MCL 4.1851)

# CHARGE OF THE OAC



## REPORT TO LEADERSHIP

Annual, written report to Governor, Attorney General, Senate Majority Leader, Speaker of the House and chairs of the Senate and House Appropriations Committees.



## DEVELOP GOALS & RECOMMENDATIONS

Provide goals and recommendations around SUD and co-occurring mental health conditions, prevention, treatment, recovery and harm reduction efforts. Provide goals and recommendations for **reducing disparities** in access to programs, services, supports and resources.



## RECOMMEND POLICY

If applicable, recommend additional legislation needed to accomplish the objectives of the commission.

# OPIOID ADVISORY COMMISSION

# STRATEGIC PRIORITIES

SUBSTANCE USE DISORDERS, MENTAL HEALTH CONDITIONS AND CO-OCCURRING DISORDERS



prevention

Any strategy which helps educate, identify and prevent negative health or social outcomes from substance misuse, substance use disorders, mental health conditions or co-occurring disorders



treatment

Any intervention intended to treat symptoms, improve functioning, and support positive health and social outcomes for individuals with substance use disorders, mental health conditions or co-occurring disorders



recovery

Any non-clinical support which helps promote positive change and sustainable life outcomes for individuals with substance use disorders, mental health conditions or co-occurring disorders



harm  
reduction

Any effort intended to help reduce the negative health impacts and social harms associated with substance use and substance overdose (overdose prevention)

# OPIOID ADVISORY COMMISSION

## GUIDING PRINCIPLES



advancing  
**health equity**

Ensuring that everyone has a fair and just opportunity to be as healthy as possible  
*Robert Wood Johnson Foundation*



effecting  
**stigma change**

Promotion of strategies to eliminate stigma associated with substance use disorders, mental health conditions and co-occurring disorders, by way of education, outreach, advocacy, engagement, training, collaboration and inclusion of voices with lived experience



expanding  
**cross-system  
collaboration**

Development and maintenance of community partnerships across systems and sectors that enhance integrated care, advance health equity and reduce disparities in service access and delivery



enhancing  
**whole-person  
care**

Consideration of the whole person, including regard for the individual, their biology, life experiences, circumstances, and connections, to better understand adverse health impacts, better support individual health needs and better promote positive health outcomes



promoting  
**service  
innovation**

Commitment to creative, novel and promising approaches that support health equity and meaningfully address substance use disorders, mental health conditions and co-occurring disorders

# OAC 2023 Annual Report

## KEY TAKEAWAYS



**Increase public transparency** around planning, use, and management of “State Share” opioid settlement funds



**Expand community engagement and inclusion** in all planning and implementation efforts for opioid settlement funds



**Enhance collaboration** across branches, departments, jurisdictions, and communities to support meaningful strategies and innovative solutions for opioid remediation



**Increase legislative oversight** to improve alignment with national guidance for use of opioid settlement funds

# NEXT STEPS

**Convene** the Community Engagement and Planning Collaborative

**Initiate** regional listening sessions

**Increase** community and Tribal voices in advisory spaces

**Implement** quarterly progress reports

1

**Continue ongoing engagement efforts** with community stakeholders and key state offices; distribute and discuss inaugural report; prepare for Community Engagement and Planning Collaborative

2

**Consult with community leaders and equity experts** on considerations for the Collaborative; ensure equitable organizational, community, and Tribal representation

3

**Expand outreach to community and Tribal partners** to explore regional listening sessions, collaborative planning efforts and community engagement activities

4

**Determine parameters and identify community/Tribal partners** for the “Collaborative” and regional listening sessions; outline group expectations, goals and objectives and proposed timelines for further review



# Local Perspective

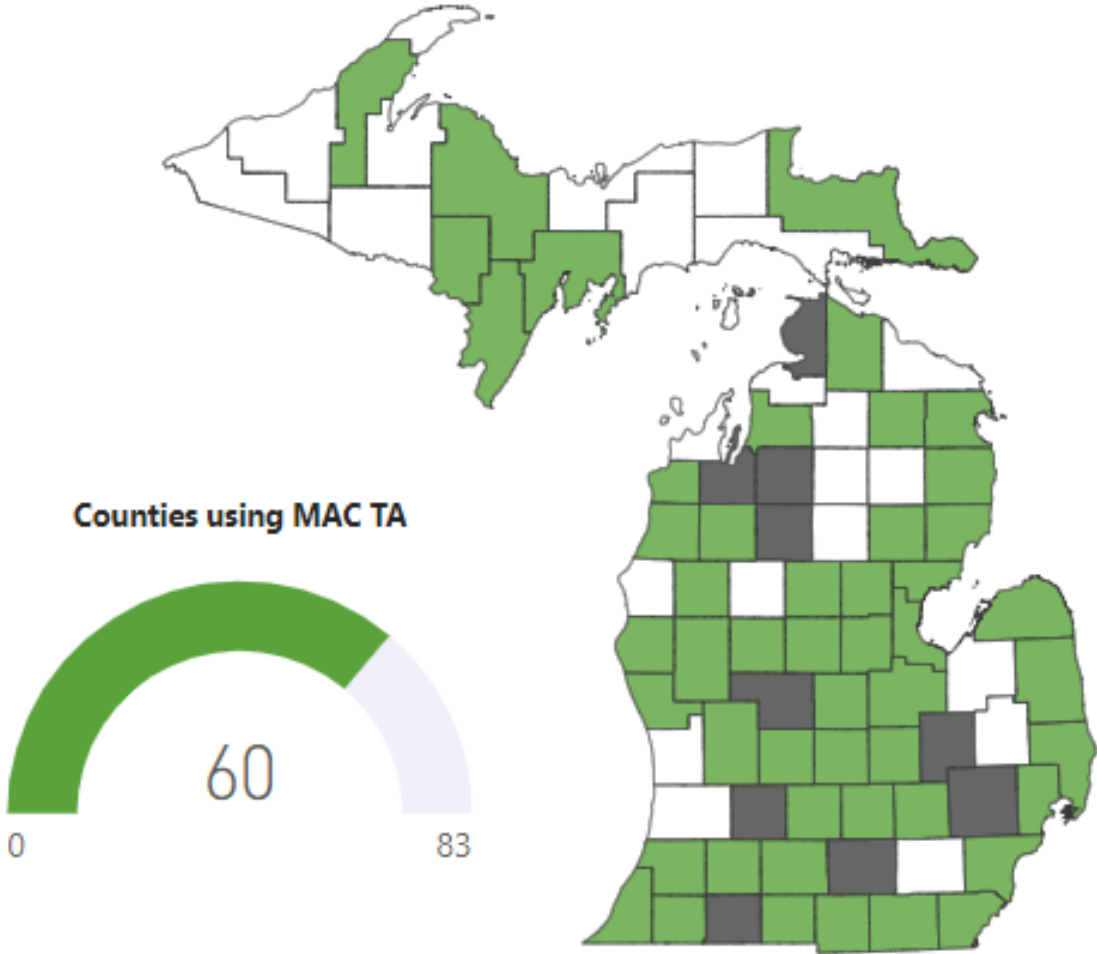
# Supports through MAC

- General Settlement Questions and Settlement Landscape Assistance
- Strategic Planning
- Advising on Allowable Uses
- Spending Plan Development and Review
- Request for Proposals Development and Scoring
- Policy Analysis
- Resource Linkage
- Resource Library
- Reporting and Evaluation
- Story Sharing, Peer to Peer Learning
- [Support Request Form](#)

# MAC Engagement

## Map of MAC Technical Assistance Engagement

Engagement type ● Engaged ● Information Request None



# Michigan Opioid Settlement Fund Toolkit: A Guide for Local Spending

- **Purpose** - The toolkit begins with the purpose of the document, highlighting the intention to assist with planning for, and utilization of, opioid settlement funds.
- **Settlements overview** - The next section provides an overview of the opioid settlements, including information on the state and local agreement, estimated funds per county, future funds and tribal settlements.
- **Statistical overview and local data** - The toolkit describes the scope of the overdose crisis, providing state-level data and where to access local data.
- **Spending principles** – This section provides an overview of the spending principles laid out by Johns Hopkins Bloomberg School of Public Health and FXB Center for Health and Human Rights, as well as indicators for spending readiness from Johns Hopkins.

# Michigan Opioid Settlement Fund Toolkit: A Guide for Local Spending

- **Steps for spending** – This section is the core component of the toolkit and provides a framework for where jurisdictions can begin their process and general steps to follow, including stakeholder engagement, gathering information, determining the process moving forward and monitoring and accountability.
- **Strategies for spending** - In the strategies for spending section, information is outlined providing key strategies from the State of Michigan, Exhibit E of the current settlements and Johns Hopkins.

# Recommended Steps: Stakeholder Engagement

- Utilize existing community resources to ensure that those with expertise are represented when planning for spending (health departments, prevention coalitions, harm reduction providers, behavioral health provider agencies, recovery support providers, etc.)
- Consider additional collaborators, such as surrounding counties and regional entities
- Ensure an equity lens, consider who is not at the table
- Ensure those with lived experience with substance use disorder and people who use drugs are engaged in the process

# Recommended Steps: Gather Information

- Review needs assessments, landscape analyses, gap inventories, reports, plans and other information from stakeholders
- Identify if additional information on community priorities needs to be gathered
- Determine the specific needs of your community, consider new and existing programming
- Utilize the [MAC Opioid Settlement Resource Center Resource Library](#) to explore principles and tracking, evidence-based and promising practices, statewide tools, local government tools, legal resources, equity resources,
  - other toolkits and reports and additional opportunities
  - for funding

# Recommended Steps: Determine Process Moving Forward

- Identify where to start (multi-sector strategic planning, strategy selection, spending plan development, etc.)
- Determine where capacity to support spending is present and sustainability of funding and strategies
- Choose strategies that are allowable and align with the needs of your community and take into account sustainability due to polysubstance use and the changing overdose environment
- Ensure equity and lived experience are at the core of
- planning and design



# Recommended Steps: Reporting & Evaluation

- There are no comprehensive reporting requirements for the Distributors and J&J settlements. While additional reporting is not required, it is essential to provide transparency and accountability for the spending process.
- It is recommended that local governments create annual financial and impact reports. These reports may include the amount of funds spent, strategies and programs funded, impact of programs funded, process of strategy selection and dollar amount determinations, and other relevant information.
- Evaluation of the outcomes and effectiveness of funding and programming should also be considered

# State Perspective

# MDHHS 2021-2022 Opioid Settlement Prioritization Survey



In 2021, MDHHS contracted with Center for Health and Research Transformation (CHRT) to analyze results from a survey of key Michigan respondents about the best ways to use opioid settlement dollars within state and federal guidelines. This information helped provide insight for Spend Plan decision making.



- Survey questions and response options based on federal settlement funding strategies and the State's Opioid Strategy strategic pillars
- Offered in English, Spanish and Arabic
- 1,040 respondents with representation from 78 of 83 counties

# MDHHS 2021-2022 Opioid Settlement Prioritization Survey Findings: Summary

- ✓ Survey's purpose was to gather data to understand priorities for settlement funding among respondents across Michigan, including individuals with lived experience, to inform strategies to be conducted with funding.
- ✓ There were limitations within the respondent pool.
  - ✓ Feedback provided by 1,040 respondents between October 2021 and January 2022
  - ✓ Survey utilized snowball sampling method; 45 organizations received the survey and were asked to share with their networks
  - ✓ Most respondents were affiliated with an organization; 39% identified as being part of the mental health, substance use, or harm reduction workforce
  - ✓ Only 11% of respondents identified as being racial minorities
  - ✓ Not all regions were represented proportionately (i.e. limited responses from Wayne County PIHP region)
- ✓ **Recovery Support Services, Prevention Programming, and Expanding Access to MOUD** emerged as the top 3 priorities of respondents.

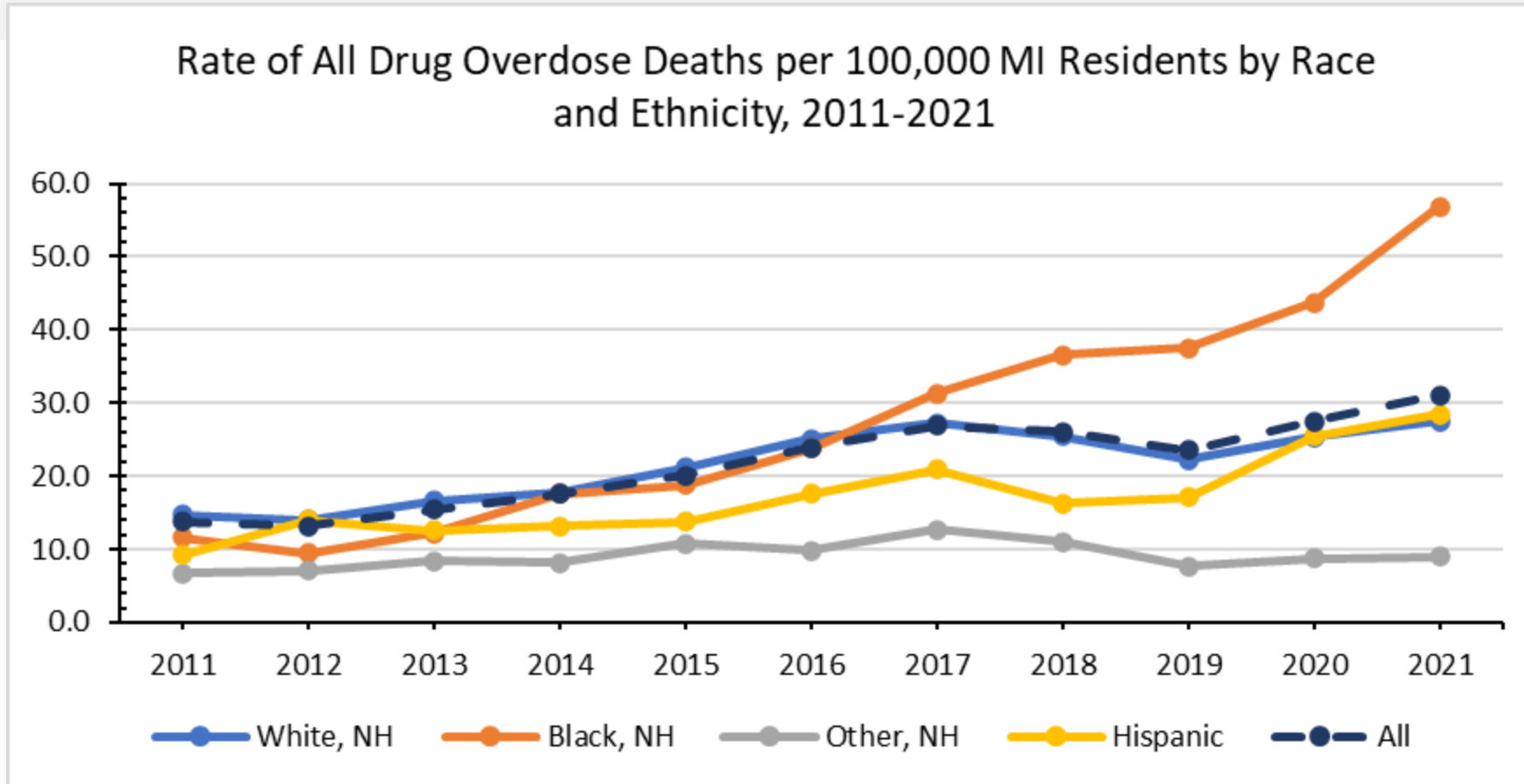
# MDHHS 2021-2022 Opioid Settlement Prioritization Survey Findings

Priorities for opioid settlement funding	% ranked #1 priority
<b>Recovery support services</b> , including peer support and wrap-around services for individuals with Substance Use Disorder (SUD) and co-occurring mental health diagnoses	36%
<b>Prevention programming</b>	19%
<b>Expanding access to Medications to treat Opioid Use Disorder (MOUD)</b> and other opioid-related treatment	16%
<b>Support for pregnant &amp; post-partum women</b> affected by substance use, and infants with Neonatal Abstinence Syndrome (NAS)	9%
<b>Naloxone distribution and training</b>	7%
<b>Treatment for incarcerated population</b>	6%
<b>Syringe Service Programs (SSP)</b>	4%
<b>Research and evaluation of abatement strategies</b>	3%

Source: [Opioid settlement prioritization survey results 2021-22 - CHRT](#)

# Other Identified Needs: Racial Equity and Harm Reduction

Overdoses amongst Michigan's Non-Hispanic Black population continue to rise, indicating that there is much still to be done to reduce overdoses amongst all Michiganders and narrow the widening gap of racial health disparities and inequities.



Source: [Michigan Overdose Data to Action Dashboard](#)

# Opioid Advisory Commission and the Michigan Opioids Task Force

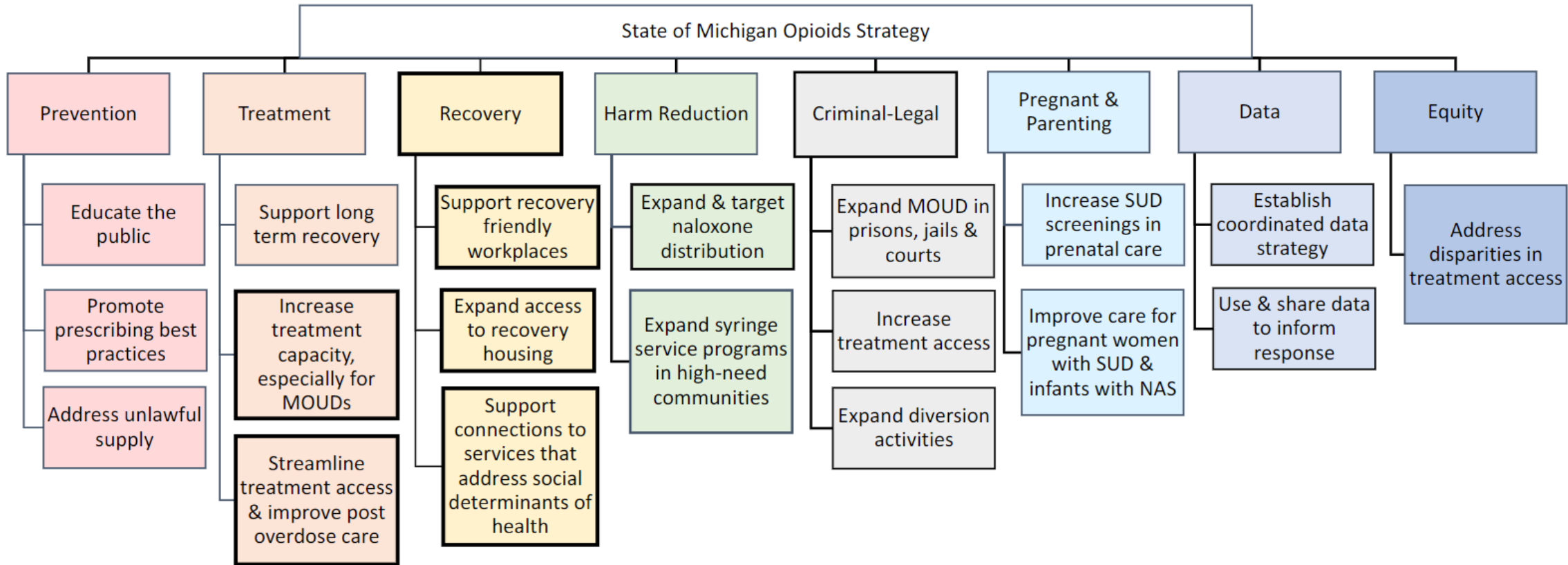
## Opioid Advisory Commission (Legislative)

- ✓ Created by **Public 84 of 2022 (MCL 4.1851)** and charged with establishing priorities to address substance use disorders and co-occurring mental health conditions, for the purpose of **recommending funding initiatives to the legislature.**
- ✓ **Reports to legislative leadership**
- ✓ Tasked with conducting **statewide needs assessment**; developing **goals and recommendations to reduce disparities in access** to behavioral health services; **assessing use of opioid settlement funds and impact** on abating the opioid epidemic in Michigan
- ✓ **Consists of 12 voting members** with experience in prevention, health care, mental health, law enforcement, local government, first responder work, or similar fields. The Director of MDHHS and the Legislative Council Administrator serve as ex-officio members.
- ✓ **Required to submit annual report to legislative leadership, chairs of House and Senate Appropriations Committees, the Governor, and the Attorney General**

## Michigan Opioids Task Force (Executive)

- ✓ Created by [Executive Order 2022-12](#) and charged with **identifying root causes of the opioid epidemic and implementing response actions**
- ✓ **Reports to MDHHS**
- ✓ **Current membership appointed in June 2023**, with membership consisting of reps from State Departments, reps from local governments, and a rep from the Michigan Supreme Court; CME to serve as Chair
- ✓ Will be required to **report to Governor regularly** and expected to **issue an annual report**

# Michigan Opioids Strategy - 2022





# Opioid Settlement: Spend Plan Development



- ✓ April and May 2022: Program areas leads met to draft consensus spend plan developed based on identified needs and the Opioids Strategy to address the FY 22 supplemental request (\$16 million) and FY 23 authorization (\$23.2 million).
- ✓ June 2022: Deputy Directors of relevant administration areas met to discuss the consensus spend plan; the spend plan was approved at this meeting
- ✓ July 2022: Legislature approved funding without restrictions
- ✓ December 2022: First payment received by the State of Michigan from the Distributors
- ✓ January 2023: First payment received by the State of Michigan from Janssen

# Opioid Settlement FY23 Spend Plan Initiatives (\$39 million)

## Prevention

**FY23: \$4.5 million**

- Adverse Childhood Experiences (ACEs) initiatives.
- Awareness campaigns.
- Quick Response Teams.

## Treatment

**FY23: \$9.1 million**

- Staffing incentives.
- Infrastructure grants.
- Expanding capacity to treat stimulant and polysubstance use.

## Recovery

**FY23: \$7.6 million**

- Recovery Community Organization grants.
- Recovery housing.
- Additional recovery supports.

## Harm Reduction

**FY23: \$8.5 million**

- Naloxone Portal.
- Syringe Service Programs Operations.

## Other Initiatives

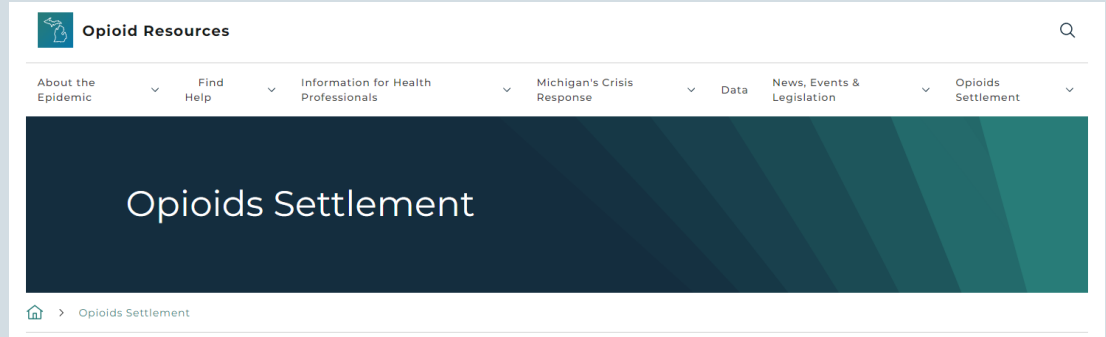
**FY23: \$9.3 million**

- Medications for opioid use disorder in prisons and jails.
- Overdose surveillance system improvements, maintenance, and rapid toxicology from medical examiners.
- High Touch High-Tech screening expansion for pregnant individuals.
- Rooming-In for infants born with Neonatal Abstinence Syndrome (NAS).
- Technical assistance to local governments on best practices.
- Projects related to opioids task force Racial Equity Workgroup.

# Opioid Settlement Website



Goal launch date: Sept. 2023



## Website content will include:

- Overview and status of settlements
- Resources to support implementation of local opioid abatement strategies
- Allowable uses for funds and resources to aid in creation of strategies and spend plans
- A request form for accessing no-cost technical assistance for local governments
- A detailed description of state opioid abatement investments
- Program monitoring and evaluation dashboard for state initiatives
- Information on equity specific investments and equity considerations in all investments
- Contact information, including a link to a settlement-specific inbox at: [MDHHS-opioidsettlementhelp@michigan.gov](mailto:MDHHS-opioidsettlementhelp@michigan.gov)

[www.michigan.gov/opioids/opioidsettlement](http://www.michigan.gov/opioids/opioidsettlement)

# Resources

# Resources

- [MAC Opioid Settlement Resource Center](#)
  - [MAC Opioid Settlement Resource Center Resource Library](#)
  - Templates for local government use
  - [Michigan Opioid Settlement Funds: A Guide for Local Spending](#)
- [Opioid Advisory Commission](#)
  - [Annual Report](#)
- [Michigan Department of Health and Human Services \(MDHHS\)](#)
  - [2023 Opioid Settlement Spend Plan](#)
- [Michigan Department of Attorney General – Opioids](#)
- [National Association of Counties \(NACo\) Opioid Solutions Center](#)

Questions

# Contact

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Opioid Advisory Commission  
(OAC)

[https://council.legislature.mi.gov/  
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Michigan Department of Health and  
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<https://www.michigan.gov/opioids>

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Michigan Association of Counties  
Opioid Settlement Resource Center

[https://micounties.org/opioid-  
settlement-resource-center/](https://micounties.org/opioid-settlement-resource-center/)