



Opioid Multistate Settlement Fact Sheet

Pennsylvania Attorney General Josh Shapiro

THE PROPOSED OPIOID SETTLEMENT FRAMEWORK

Timeline: Significant help for communities in need starting in April 2022

- Counties and local municipalities had five months to decide if it's in the best interest of their communities to join the proposed settlement. The deadline to join is January 2, 2022.
 - Pennsylvania would start to receive funding from the proposed settlement in April 2022.
 - Pennsylvania could receive up to **\$232 million** in the first year alone.
 - **70+** local governments and counting from across Pennsylvania have already signed participation agreements for these settlements.

The Settlement: Dedicated funding for treatment, education and abatement programs for communities that join

- A bipartisan group of Attorneys General--along with attorneys representing local governments--crafted this settlement, adding \$4 billion to the proposed settlement announced in 2019, bringing it to a total of **\$26 billion nationwide**.
 - Second largest state settlement in history.
 - Pennsylvania is on track to receive **more than \$1 billion** if every eligible subdivision signs on to the proposal, which is more than other similarly sized states due to the severity of the crisis in PA.
 - Money must be used to address this crisis, through treatment, and other support services for those struggling with addiction.
 - Local communities choose whether or not they want to join the settlement, though opting out ensures no funding for that community and reduces the Commonwealth's share.



Intrastate Allocation: Driving dollars where they are needed most.

- The formula used to direct resources into local communities prioritizes the hardest-hit communities and was created by state, county and local governments with input from local stakeholders, the treatment community and substance abuse researchers.
- Resources from the settlement, as well as future settlements, will be divided 15% to the state, 70% to the counties and 15% to governmental entities which have litigation against these defendants.
- The agreement directs the vast majority of resources to county governments, because they fund the majority of services delivering treatment to those struggling with opioid use disorder.
- The dollars allocated to the counties are directed based on metrics that measure the severity of the crisis (overdose deaths, rate of opioid use disorder hospitalizations, naloxone administrations and opioids dispensed, adjusted for severity).
- The dollars allocated to the governmental entities that litigated against these defendants are driven out based on population.

THE RISKY ALTERNATIVE

Timeline: No guarantee of resources ever reaching litigating communities

- No trial date has been set for any of the lawsuits filed by Pennsylvania counties or municipalities.
- Even if they reach trial, there is no guarantee that Pennsylvania counties or municipalities will win.
- Even if they win, there is no guarantee the companies will have any money left for those communities—companies are facing significant litigation across the country. If cities and counties opt out and broadly pursue litigation, the companies may seek bankruptcy protection, denying Pennsylvanians the resources they need.

Key examples:

- Oklahoma previously won a **\$465 million** verdict in a bench trial against Johnson & Johnson that was on appeal for years with no money reaching impacted communities. On Nov. 8, 2021, the Oklahoma Supreme Court reversed the district court's ruling.
- Last month, four major cities and counties in California lost their trial against opioid manufacturers after years of litigation.
- In Ohio, Cuyahoga County, where Cleveland is (population 1.2 million), received **\$84 million** in a settlement from AmerisourceBergen, Cardinal Health, McKesson, and Johnson & Johnson following attorneys' fees.
 - l This averages out to **\$68 per person**.
 - l **Pennsylvania's** \$1 billion share of the settlement divided by population equals **\$78 per person**.
 - **Philadelphia County's** share is up to \$173 million (plus an additional share of \$30 million) - **\$108 per person**