A FORUM ON THE

National Multidistrict Opioid Litigation Settlement

Lessons Learned From America’s County Leaders
Status of the Opioid Litigation

IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION  MDL No. 2804
Cities and Counties
Federal Court Cases vs State Court Cases
MDL Procedure: Judge Polster

CT1: Cuyahoga and Summit County OH Settlement ~$300M

CT2: Trial in West Virginia against Big 3 distributors postponed due to Covid-19.  
Postponed to May 2021

CT3: Trial of third bellwether group against retail chain pharmacies.  
Scheduled for October 2021
Remand by MDL Court

Remands to local federal courts
- Chicago, Illinois (MFR)
- San Francisco (Walgreens and MFR)

Judge Polster is not remanding any other cases at this time or for the foreseeable future.
Purdue Pharma L.P. Bankruptcy Proceeding

- Filed in New York Bankruptcy Court September 15, 2019
- October, 2020 Media Reports of $8.3 B settlement with the federal government
- $225M to Federal Government
- $8 B to thousands of states, local governments and other entities
- Guilty Plea of Three Felonies
- Purdue Company re-organization plan as part of settlement
Settlement Negotiations

Washington Post reported Big 3 Distributors: McKesson, Cardinal Health and AmerisourceBergen and Johnson & Johnson negotiating $26 Billion Settlement to be paid over 18 years

NEGOTIATIONS ARE ONGOING
Purdue Bankruptcy Settlement

It has been reported that the offer is between $4-5 billion nationally to be allocated using the Class Negotiation model. Unless a County has a different deal with the State that alters the allocation metrics, this will be the formula used. This is the plan being put forth in bankruptcy court and will most likely be voted in.

NEGOTIATIONS ARE ONGOING
First Multi-State Settlement: McKinsey & Co

Media Reports nearly $600 M settlement with 47 state attorneys general. States expected to keep the proceeds to address the harms caused and recoup costs of investigating McKinsey’s role with Purdue Pharma in marketing opioids. Media reports indicate McKinsey will turn over internal documents detailing its work with Purdue.

First Multi-state opioid settlement

Media reporting Washington State and West Virginia have separate settlement agreements

Some counties may have filed claims against McKinsey

New York to receive $32 M
What Happened to the MDL: Class Action?

- MDL Court approved a request to certify a negotiating class setting forth a framework to assist the Court and parties to achieve national resolution.
- Decision challenged in the Sixth Circuit by distributors and a group of six Ohio cities.
- Court reversed the District Court’s order and decertified the class.
- A petition for a hearing en banc has been filed.
- The formula at the heart of the class model remains part of active settlement discussions.
Allocation Agreements

Agreements designed to distribute potential settlement funds quickly and efficiently

If counties and state don’t have Agreement - Default likely will be:
- 15% Local
- 15% State
- 70% Abatement Fund

Most agreements are within this framework:
1. Direct % to the counties, townships, villages and/or cities
2. Direct % to a private foundation, board, committee or council dedicated to funding abatement efforts
3. Direct % being disbursed to the state
Approved Uses: Treatment

Opioid use disorder,

Support People in Treatment and Recovery

Connect People who need help to the help they need

Address the needs of the criminal justice involved persons

Address the need of pregnant/parenting women, babies
Approved Use: Prevention

Prevent over prescribing and dispensing

Prevent Misuse of opioids

Prevent overdose deaths and other harm reduction
Approved Use: Other Strategies

First Responders

Leadership, Planning and Coordination

Training

Research

Post Mortem
Colorado Opioid Settlement
Collective Goals

- Local governments with a unified voice.

- Secure all the funding Colorado is eligible for by reaching consensus between the state and all local governments.

- Funding gets to the places where it is needed the most.
• 18 regions

• Counties decide to be their own region or in a region with others.
<table>
<thead>
<tr>
<th><strong>Attorney General’s Proposal</strong></th>
<th><strong>Agreement Moving Forward</strong></th>
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<tbody>
<tr>
<td>• 15% directly to state</td>
<td>• 20% direct allocation to local governments</td>
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<tr>
<td>• 15% directly to counties/ cities</td>
<td>• 60% direct allocation to regions</td>
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<tr>
<td>• 70% directly into a state abatement fund</td>
<td>• 10% for infrastructure</td>
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<tr>
<td></td>
<td>• 10% direct allocation to state</td>
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