

Wednesday, February 17 | 2 – 4 PM

A FORUM ON THE

National Multidistrict Opioid Litigation Settlement

Lessons Learned From
America's County Leaders



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— NEW YORK STATE —
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A Forum on the National Multidistrict Opioid Litigation Settlement

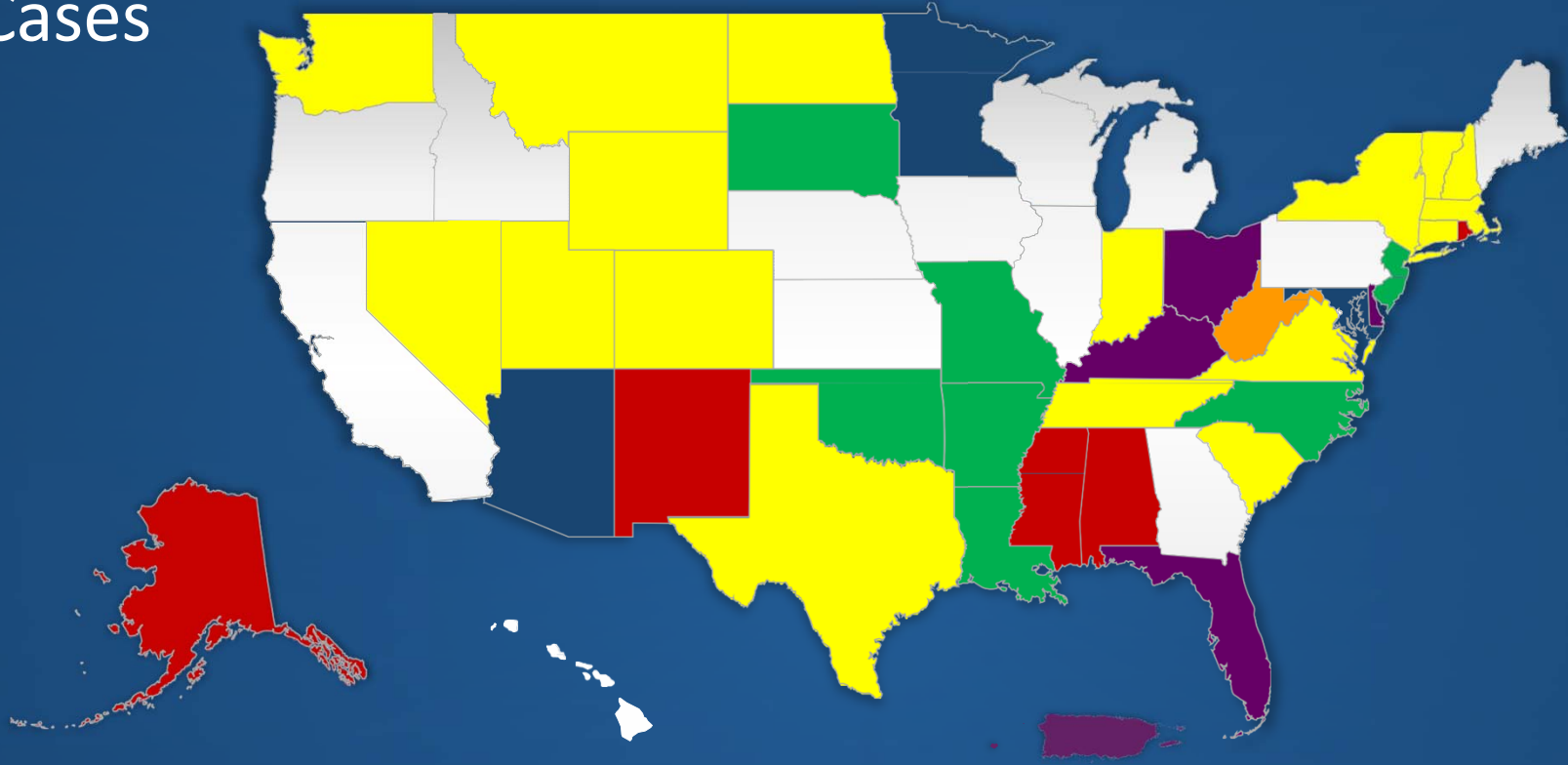
Feb. 17th, 2021

Status of the Opioid Litigation

IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION MDL No. 2804



AG Cases



Purdue Only (17)

CO, IN, MA*, MT, NV, NH, NY, ND, SC, TN, TX, UT, VT, VA, WA, WY, CT*
 *Sacklers & BOD members also named

Insys Only (3)

AZ, MN, MD

Manufacturers Only (7)

AR, LA, MO, NJ, NC (Purdue & Insys only), OK, SD

Distributors Only (1)

WV

Manufacturer(s) & Big 3 Distributor(s) (5)

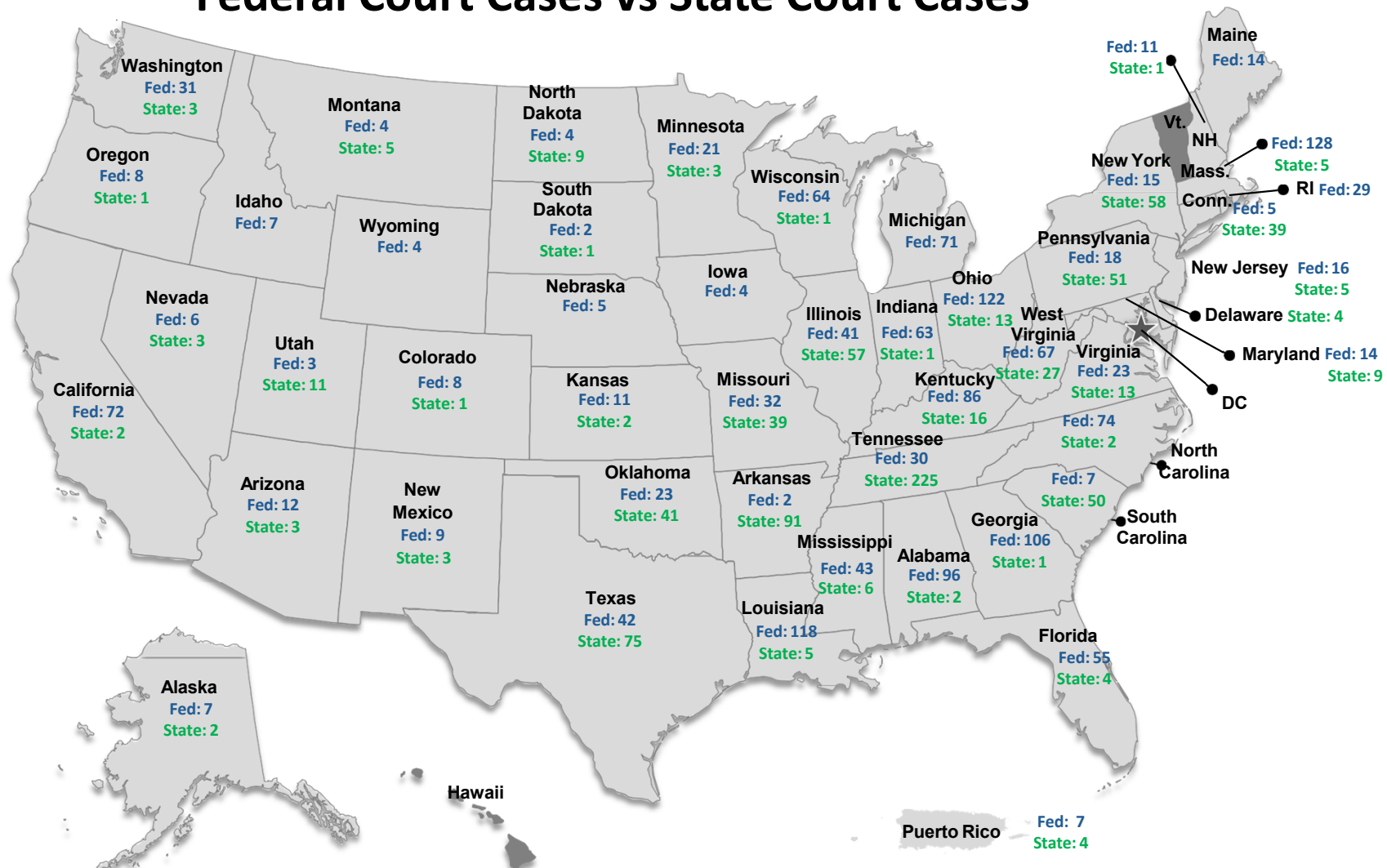
AL, AK, NM, RI, MS

Manufacturers & Distributors, including pharmacy claims and/or smaller distributors. (5)

DE (but pharmacy claims dismissed), FL, KY, OH (only smaller distributor is Miami Luker)
 PR (smaller distributor is local)

Cities and Counties

Federal Court Cases vs State Court Cases



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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 (Wallgreens 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

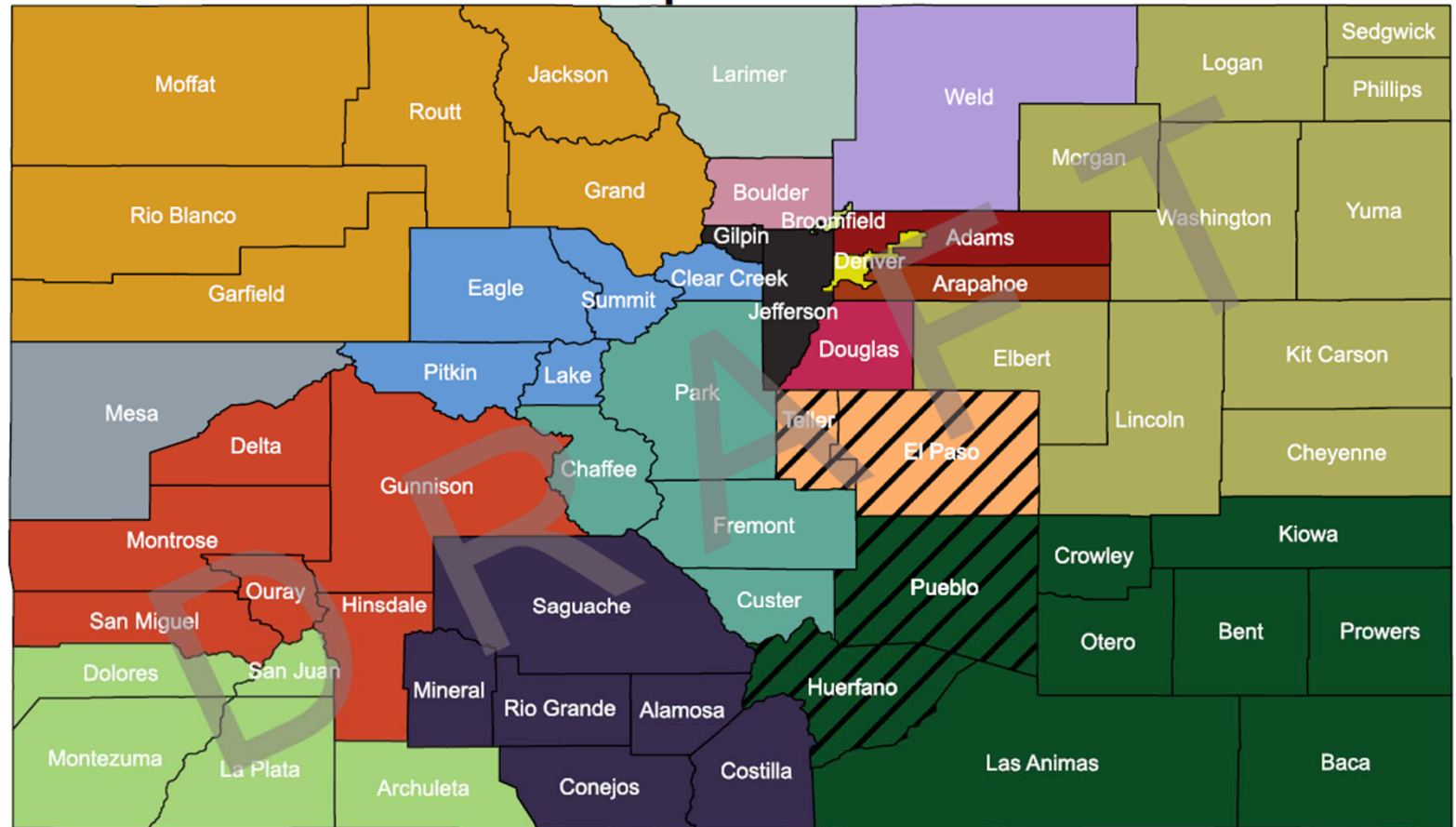


Collective Goals

- 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.

Proposed Regions for the Regional Distribution of Opioid Settlement Funds



Counties with a diagonal stripe pattern are tentative and based on a conversation with the Attorney General's Office on 1/7/21

Map Revision:
February 3, 2021

Created by
Trent Pingenot
for CCI

Allocation Proposal

Attorney General's Proposal

- 15% directly to state
- 15% directly to counties/ cities
- 70% directly into a state abatement fund

Agreement Moving Forward

- 20% direct allocation to local governments
- 60% direct allocation to regions
- 10% for infrastructure
- 10% direct allocation to state