

VIRGINIA OPIOID ABATEMENT AUTHORITY



REGIONAL LISTENING
SESSIONS

History

- 2007 – Purdue Pharma executives convicted on criminal charges
- States and local governments begin litigating against prescription opioid manufacturers and companies involved in the marketing and distribution of prescription opioids
- 2017 – all litigation in Federal courts combined into one case.
- 2020 – negotiations with Distributors McKesson, Cardinal Health, and Amerisource Bergen begin to take shape.
- 2021 – Virginia begins to prepare to be able to accept the settlement offers. General Assembly creates a statute that forms the Opioid Abatement Authority.
- May 2022 – Virginia’s 13th Circuit Court issues an order that binds Virginia and the settling companies to the deal.

Code of Virginia, Title 2.2, Chapter 22, Article 12

Virginia Code § 2.2-2366

Established by the General Assembly in 2021

Created the Opioid Abatement Authority as an independent body whose purpose is to abate and remediate the opioid epidemic in the Commonwealth through financial support from the Fund, in the form of grants, donations, or other assistance, for efforts to treat, prevent, and reduce opioid use disorder and the misuse of opioids in the Commonwealth.

OAA Board of Directors

Senator Todd Pillion (Chair)

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for Addiction Medicine

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Mike Tillem – Journey House Recovery

Who Can Receive Distributions from the OAA?

Only state agencies and political subdivisions included in the Court order can receive distributions/grants.

- ✓ Participating Subdivisions - **Cities and Counties** that have signed the Virginia Settlement Memorandum of Understanding and chosen to participate in the applicable settlement as required by the settlement's terms.
- ✓ **State Agencies**

Cities, Counties, and State Agencies can partner with various organizations to provide services

Distributors & Janssen Settlements

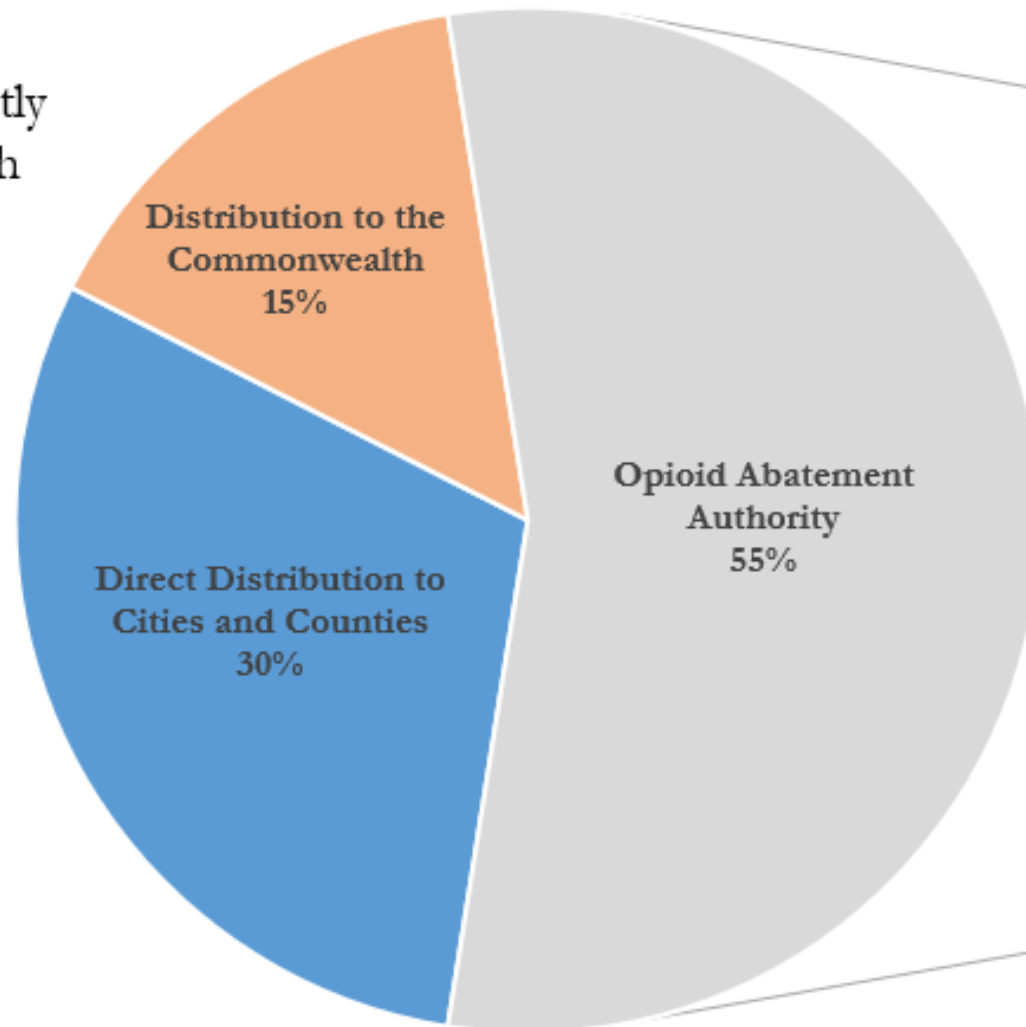
- Distributors will pay a maximum of \$21 billion (nationwide) over 18 years
 - Requires a minimum of 85% be used for opioid remediation
- J&J / Janssen will pay a maximum of \$5 billion (nationwide) over ten years
 - Requires a minimum of 86.5% be used for opioid remediation

Any use of any funds for non-remediation must be reported by the city/county to the settlement administrator and to the defendant.

Virginia's Settlement Distribution Agreement

15% distributed directly to the Commonwealth

30% distributed directly to the Cities and Counties



55% deposited to the Opioid Abatement Fund, which is further subdivided as follows....

OAA Distribution to Cities/Counties 15%

OAA Distribution to Cooperating Partnerships 35%

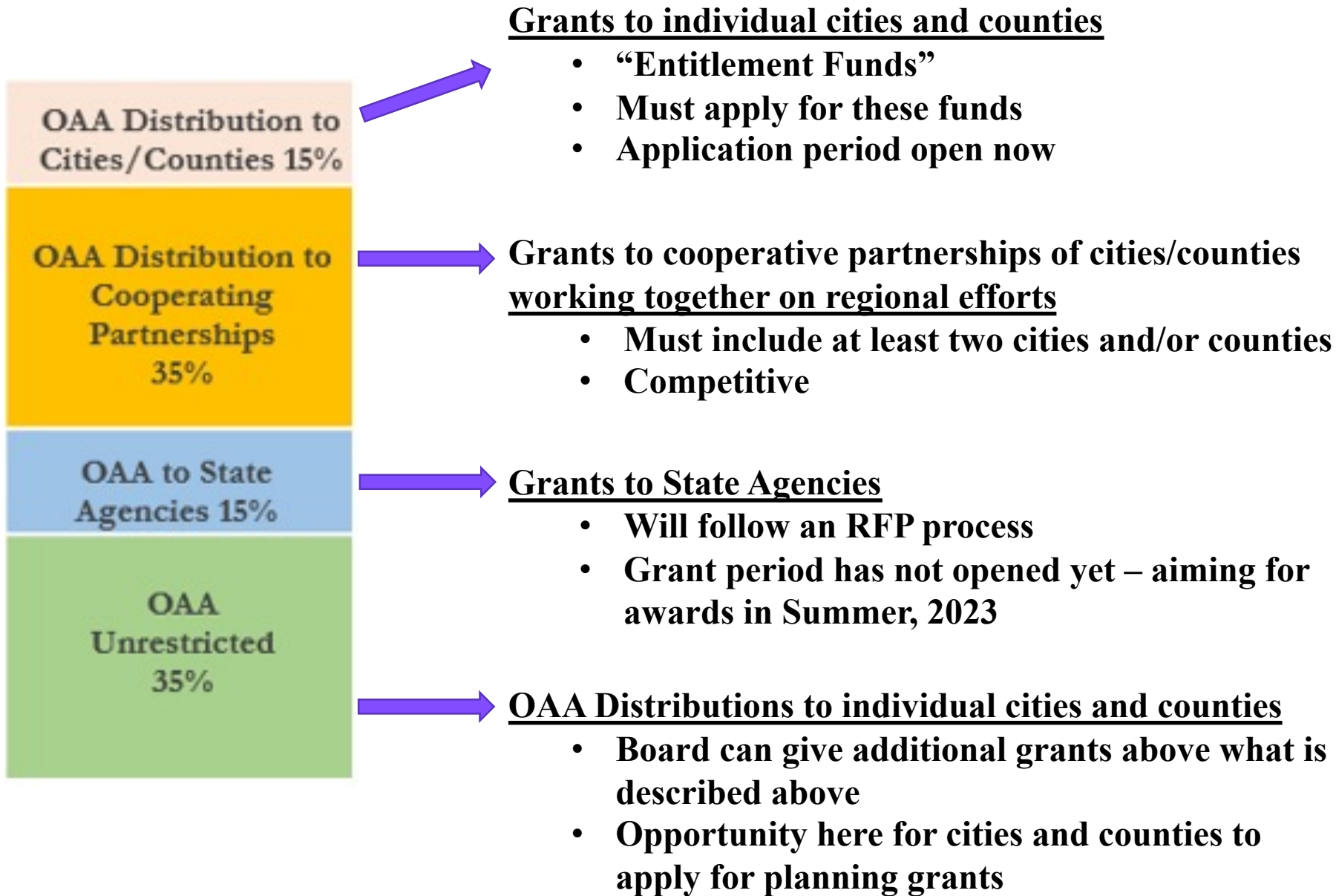
OAA to State Agencies 15%

OAA Unrestricted 35%

How can OAA funds be used?

Virginia Code § 2.2-2370(A)

1. To treat, prevent, or reduce opioid use disorder or the misuse of opioids or otherwise abate or remediate the opioid epidemic;
2. Conducted or managed by any agency of the Commonwealth or participating locality;
3. Shall NOT be used by the recipient to supplant funding for an existing program or continue funding an existing program at its current amount of funding;
4. No indirect costs allowed;
5. Recipients shall provide the OAA information regarding the implementation of the effort and allow monitoring and review of the effort.



Higher Priority Will be Given to:

Virginia Code § 2.2-2370(B)

1. Programs or organizations with established record of success
2. Programs in communities with a high incidence of opioid use disorder or opioid death rate, relative to population
3. Programs in historically economically disadvantaged communities
4. Include a monetary match from or on behalf of the applicant, with higher priority given to an effort with a larger matching amount.

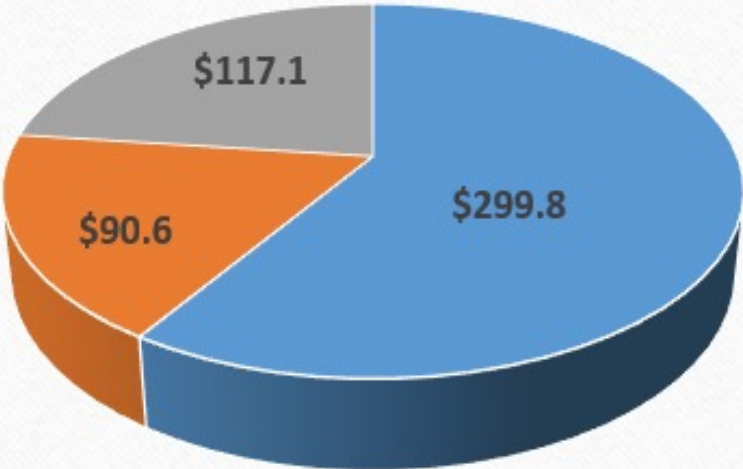
Estimated Settlement Distributions to Virginia

FY 2022 through FY 2039

Distributors and Janssen Settlements

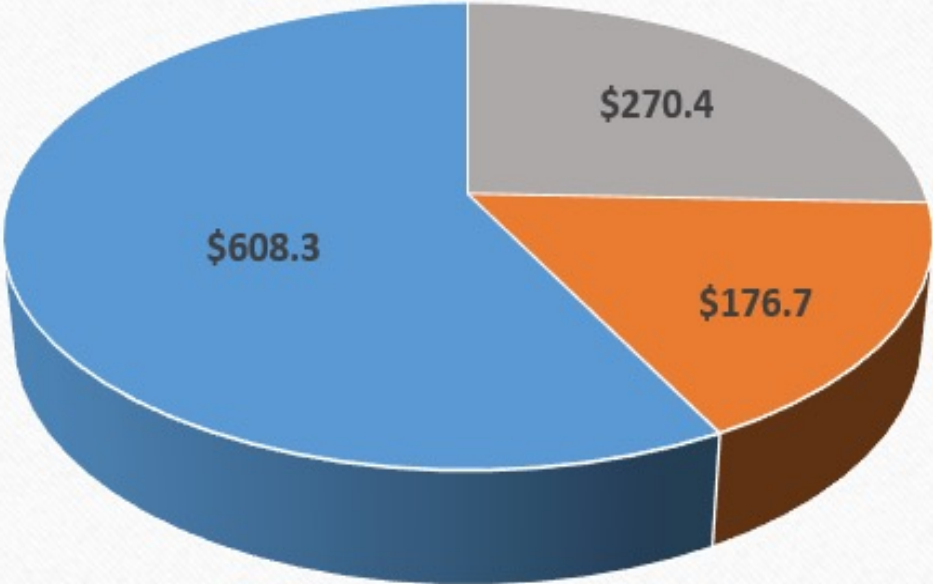
The total amount that may be distributed to Virginia for the two current settlements is \$507.5 million

\$ in Millions



Total Possible Settlement Payments

...and may increase to over \$1.0 billion including all settlements announced but not yet finalized.



■ Cities and Counties ■ Commonwealth ■ OAA

Next Steps

Grants for cities and counties opened on January 19, application period closes May 5.

Additional listening sessions and webinars being scheduled. Updated information to be posted at www.voaa.us



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