

Opioid Abatement

Understanding the Rules & Reporting
Requirements for Eligible Subdivisions

June 20, 2023

Housekeeping

- Attendees are in **listen-only mode**.
- This **webinar is being recorded** and will be made available online at www.nj.gov/opioidfunds
- Questions asked during registration have been incorporated into today's presentation. If other questions arise, please share them in the Q&A box and we will answer at the end of today's webinar.
- Questions moving forward? **Email us at** opiodsettlement@dhs.nj.gov

Today's Presenters



Commissioner
Sarah Adelman,
Human Services



Assistant Commissioner
Valerie Mielke,
Division of Mental Health and
Addiction Services



Deputy Attorney General,
Deborah Shane-Held,
Office of the Attorney General

Purpose of Today's Webinar

- Provide an overview of the completed and upcoming opioid settlement agreements and discuss the State Subdivision Agreement
- Discuss **Subdivision responsibilities and deadlines** pursuant to the State Subdivision Agreement
- Preview **reporting requirements** for opioid abatement funds
- Review Approved Purposes for opioid abatement funds
- Introduce the **New Jersey State Opioid Advisory Council** and review the Council's work to date

National Opioid Settlements

- New Jersey will receive **more than \$1 billion from national opioid settlements** over 18 years. The state will receive **fully half** of the abatement monies, *the other half of the abatement monies* will be provided directly to eligible, participating counties and municipalities.
- The funds will be used for programs that focus on **treatment, prevention, and other strategies to combat the opioid epidemic.**
- They will be used to make critical investments in harm reduction and data-driven strategies, and will bolster our critical opioid use disorder resources and programs, which will **strengthen our ability to save lives by preventing overdose deaths** and connecting New Jerseyans to supports and treatment when they need it most.

Distributors and J&J Settlement Agreements

- Nationwide settlements were reached to resolve all opioid litigation brought by states and local political subdivisions against Distributors and J&J:
 - McKesson, Cardinal Health and Amerisource Bergen (**collectively, “Distributors”**), and
 - Manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (**collectively, “J&J”**).

Company	Total Nationwide Settlement	NJ Additional Restitution*	NJ Abatement*	Payment Period
Distributors	\$21 billion	\$12.365 million	\$511.188 million	18 payments - Ending in 2038
J&J	\$5 billion		\$117.495 million	11 Payments - Ending in 2032
		Total Received by State and Subdivisions: \$641.048 million		

New Opioid Settlements – An Overview

- Proposed nationwide settlement agreements have been reached that would resolve opioid litigation brought by states, local political subdivisions and special districts
- Settlements total over \$20 billion nationwide.**
 - The majority of these funds will be used for abatement purposes by participating states and subdivisions to remediate and abate the impact of the opioid crisis.

Company	Total Nationwide Settlement Payments	Payment Period
Allergan	Up to \$2.37 billion	7 Payments – Ending in 2029
CVS	Up to \$5 billion	10 Payments - Ending in 2032
Teva	Up to \$4.25 billion*	13 Payments - Ending in 2035
Walgreens	Up to \$5.7 billion	15 Payments - Ending in 2036
Walmart	Up to \$3.01 billion	6 Payments – Ending in 2028

Teva settlement terms provide up to \$4.25 billion over 13 years and to provide **either \$1.2 billion of its generic naloxone product over 10 years or an agreed upon cash equivalent over 13 years.*

Five New Opioid Settlements – New Jersey's Share

Company	New Jersey Share
Allergan	\$59.4 million
CVS	\$131.5 million
Teva	\$99.8 million*
Walgreens	\$143 million
Walmart**	\$74.4 million

*Assuming cash-only, no product option

**We are still waiting for Walmart to confirm its intent to proceed.

- On May 23, 2023, **Governor Murphy and Attorney General Platkin announced 100% participation** by eligible New Jersey counties and municipalities in the \$20.1 billion nationwide opioid settlements with CVS, Walgreens, Walmart, Teva, and Allergan.
- New Jersey and its eligible subdivisions now stand to receive an **additional combined total of approximately \$508.1 million if all five settlements go effective.**
 - As of June 8, 2023, 4 of the 5 settlements have gone into effect. We are still waiting for Walmart to confirm its intent to proceed.
- A majority of the settlement money is designated for **abatement and remediation use**, including prevention, harm reduction, treatment, and recovery services.

New Jersey's Abatement Share in All Settlements

Company	New Jersey Share	Payment Period
Allergan	\$59.4 million	7 Payments - Ending in 2029
CVS	\$131.5 million	10 Payments - Ending in 2032
Distributors	\$511.2 million	18 payments - Ending in 2038
J&J	\$117.5 million	11 Payments - Ending in 2032
Teva	\$99.8 million*	13 Payments - Ending in 2035
Walgreens	\$143 million	15 Payments - Ending in 2036
Walmart**	\$74.4 million	6 Payments - Ending in 2028
Total	\$1.14 billion	

**Questions about subdivision
allotments or spending?**

Contact Jim Cecchi
(JCecchi@carellabyrne.com) or
Michael Innes
(MInnes@carellabyrne.com)

*Assuming cash-only, no product option
**We are still waiting for Walmart to confirm its intent to proceed.

New Jersey's Abatement Share in All Settlements

Company	Distribution Details
Allergan	7 payments beginning with Year 1 Payment (2023 Effective Date + 30 days), Year 2 Payment (July 15, 2024) through Year 7 Payment (July 15, 2029).
CVS	10 payments beginning June 30, 2023 through June 30, 2032.
Distributors	18 payments to be made each year in July
J&J	11 payments to be made each year in June
Teva	13 payments beginning with Year 1 Payment (2023 Effective Date + 30 days), Year 2 Payment (July 15, 2024) through Year 13 Payment (July 15, 2035).
Walgreens	15 payments beginning with the Payment Year 1 (=the later of December 31, 2022, or 5 business days after the Preliminary Agreement Date), Year 2 Payment (Dec. 31, 2023), Year 3 Payment (March 31, 2025) – Year 14 Payment (March 31, 2036), Year 15 Payment (Dec. 31, 2036).
Walmart**	6 payments beginning with 2 payments in 2023 totaling 97% of NJ's possible total opioid funds. 1 payment in Payment Year 3 (2025), 1 payment in Payment Year 4 (2026), 1 payment in Payment Year 5 (2027) and 1 payment in Payment Year 6 (2028) (totaling last 3%).

*Assuming cash-only, no product option
 **We are still waiting for Walmart to confirm its intent to proceed.

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Subdivisions: Roles and Responsibilities

Subdivisions

- **262 eligible subdivisions** – including all 21 counties - will split 50% of the abatement funds.
- Such monies shall not be used to reimburse the State or any of its eligible counties or municipalities for past expenditures.
- **Abatement monies shall supplement, not supplant existing county or municipal funding.**
- Each county is required to establish a “**County Advisory Council**” to provide input, advice, and recommendations on the disbursement of settlement monies.
- County department, division, or agency that includes the **County Alcoholism and Drug Abuse Director** will serve as the lead agency responsible for county abatement funds and reporting responsibilities (*See State Subdivision Agreement, C.3*)



Subdivisions - County Advisory Councils

County Advisory Councils must include:

- A public member who possesses an expertise in substance use disorder treatment or prevention;
- A public member who is a representative of a provider of behavioral health or substance use disorder treatment in the community;
- A public member who has a personal experience with substance use addiction issues;
- The County Prosecutor, or a designee;
- An individual with the subdivision who is authorized to appropriate funds on behalf of the governing body, or designee.

Identifying quality candidates for County Advisory Councils:

- Individuals with lived experience
- Parents, friends, and/or family members of those with lived experience or those who lost loved ones to opioid addiction and/or overdose
- Treatment providers, recovery or prevention professionals
- County & Local Government Representatives including County Prevention Boards, Human Services Advisory Councils, Alcoholism and Drug Abuse Directors, or Mental Health Directors



Subdivisions – Determining Your Allocations

- **Exhibit G** lays out **Consolidated State Allocation** percentage or what percentage each eligible subdivision is entitled **to determine how much each subdivision should be paid from the local government share** of the national opioid litigation resolutions.
- Find the full list in **Exhibit B** of the State Subdivision Agreement.
- **Questions about subdivision allotments or spending?** Feel free to contact Jim Cecchi (JCecchi@carellabyrne.com) or Michael Innes (MInnes@carellabyrne.com).

Allocations are subject to change pursuant to a State-Subdivision Agreement, Allocation Statute, Statutory Trust, or voluntary redistribution. FINAL AGREEMENT 3.10.22

Subdivisions with Consolidated Allocations - Qualified Subdivisions Only

State ID	Qualifying Subdivision	Consolidated State Allocation
NJ1	Aberdeen Township, New Jersey	0.0797396894%
NJ2	Asbury Park City, New Jersey	0.3916349671%
NJ3	Atlantic City, New Jersey	1.2847690915%
NJ4	Atlantic County, New Jersey	2.8915764045%
NJ5	Barneget Township, New Jersey	0.1626638814%
NJ6	Bayonne City, New Jersey	0.8502340058%
NJ7	Beachwood Borough, New Jersey	0.0492329228%
NJ8	Belleville Township, New Jersey	0.0872090223%
NJ9	Bellmawr Borough, New Jersey	0.0640989992%
NJ10	Bergen County, New Jersey	4.9446361090%
NJ11	Bergenfield Borough, New Jersey	0.0618076073%
NJ12	Berkeley Heights Township, New Jersey	0.0272673062%
NJ13	Berkeley Township, New Jersey	0.2619731788%
NJ14	Bernards Township, New Jersey	0.0910577073%
NJ15	Bloomfield Township, New Jersey	0.1173874959%
NJ16	Bordentown Township, New Jersey	0.0545891482%
NJ17	Bound Brook Borough, New Jersey	0.0527105023%
NJ18	Branchburg Township, New Jersey	0.0561024563%
NJ19	Brick Township, New Jersey	0.5908193174%
NJ20	Bridgeton City, New Jersey	0.2079614154%
NJ21	Bridgewater Township, New Jersey	0.1828057629%
NJ22	Burlington County, New Jersey	4.4940916659%
NJ23	Burlington Township, New Jersey	0.1157900630%
NJ24	Camden City, New Jersey	1.6603828843%
NJ25	Camden County, New Jersey	6.8741218172%
NJ26	Cape May County, New Jersey	1.2842777540%
NJ27	Carteret Borough, New Jersey	0.1794847100%
NJ28	Cedar Grove Township, New Jersey	0.0187911021%
NJ29	Chatham Township, New Jersey	0.0498541051%
NJ30	Cherry Hill Township, New Jersey	0.3440044947%
NJ31	Cinnaminson Township, New Jersey	0.0701648926%
NJ32	Clark Township, New Jersey	0.0429898704%
NJ33	Cliffside Park Borough, New Jersey	0.1142449150%
NJ34	Clifton City, New Jersey	0.3535258812%
NJ35	Clinton Town, New Jersey	0.0294193343%
NJ36	Clinton Township, New Jersey	0.0799778554%
NJ37	Collingswood Borough, New Jersey	0.1128930571%
NJ38	Cranford Township, New Jersey	0.0684441330%
NJ39	Cumberland County, New Jersey	0.9862828059%
NJ40	Delran Township, New Jersey	0.0837486054%
NJ41	Denville Township, New Jersey	0.0795654377%
NJ42	Deptford Township, New Jersey	0.2200095463%
NJ43	Dover Town, New Jersey	0.1186530251%
NJ44	Dumont Borough, New Jersey	0.0403826120%
NJ45	East Brunswick Township, New Jersey	0.0972927881%
NJ46	East Greenwich Township, New Jersey	0.0212104162%
NJ47	East Hanover Township, New Jersey	0.0890156417%
NJ48	East Orange City, New Jersey	1.2844844553%
NJ49	East Windsor Township, New Jersey	0.0422463462%



Calculating Your Subdivision Payment

Example: Distributor Settlement, Payment #1

Distributor Settlement Agreement (Exhibit M) "Restitution/Abatement" Payment #1 = \$792,612,857.89

State Share Percentage
(Exhibit F) = 2.7551354545%

NJ Total Abatement, Distributor Settlement Agreement
Payment #1 = \$21,837,557.86

NJ State Share = \$10,918,778.93

New Jersey Total Subdivision Share =
\$10,918,778.93

New Jersey Total Subdivision Share = \$10,918,778.93

NJ Local Government Share for the
Supplemental Contingency Fee
Fund (Section E, SSA) = 3.25%
First 7 payment only

Distributor Settlement Agreement Payment #1,
Subdivision Abatement Total = \$10,044,300.98

Consolidated State Allocation
(Exhibit B, SSA) Individualized
for Each Subdivision

Individual Subdivision Amount for Distributor's Payment #1
Subdivision Abatement Total = \$\$\$\$\$

State Cannot Provide Legal Advice to Subdivisions

- The **State cannot provide legal advice, nor approve or deny proposals** for subdivision settlement funds.
- Exhibit E of the national agreements sets forth approved uses for opioid settlement funds that are **intended to be very broad**.
- Subdivisions are advised to review the national agreements, as well as the State Subdivision Agreement, for restrictions on how the opioid settlement funds can be spent.
- To the extent you have any further questions, **please consult with your own counsel or with your county's advisory council**.
- **Questions about subdivision allotments or spending?** Feel free to contact Jim Cecchi (JCecchi@carellabyrne.com) or Michael Innes (MInnes@carellabyrne.com).

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Spending Abatement Funds

- **Naloxone** or other FDA-approved drugs to reverse opioid overdoses
- **Medication-Assisted Treatment** and other opioid-related treatment; Neonatal Abstinence Syndrome
- Address needs for **pregnant & post-partum persons**
- Expanding **prevention** programs and recovery services; **Warm Hand-off** programs
- Address needs for **incarcerated population**

Exhibit E: List of Approved Purposes

DISTRIBUTORS' 10.22.21
EXHIBIT UPDATES

EXHIBIT E

List of Opioid Remediation Uses

Schedule A Core Strategies

States and Qualifying Block Grantees shall choose from among the abatement strategies listed in Schedule B. However, priority shall be given to the following core abatement strategies ("Core Strategies").¹⁴

A. **NALOXONE OR OTHER FDA-APPROVED DRUG TO
REVERSE OPIOID OVERDOSES**

1. Expand training for first responders, schools, community support groups and families; and
2. Increase distribution to individuals who are uninsured or whose insurance does not cover the needed service.

B. **MEDICATION-ASSISTED TREATMENT ("MAT")
DISTRIBUTION AND OTHER OPIOID-RELATED
TREATMENT**

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Spending Abatement Funds

Harm Reduction	Treatment
Long-Term Resiliency	Education, Awareness and Training
Workforce Development	Prevention and Recovery Supports
Leadership, Planning and Coordination	Research and Education
Serving Specialty Populations <i>Pregnant and Postpartum; Justice-Involved; Underserved Persons</i>	

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State Resources and Information for Subdivisions

- Settlement Agreements and List of Eligible and Participating Subdivisions
- Summary of Opioid Public Portal Responses, Fall 2023
- NJ State Inventory Opioid Spending, Spring 2023
- NJ Response to Opioid Overdose Epidemic Report, 2020
- DOH Overdose Data Dashboard

www.nj.gov/opioidfunds



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Subdivisions – Reporting Requirements and Deadlines

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Subdivision Reporting Deadline:

September 1st annually

State Reporting & Publication Deadline:

October 1st annually

- All subdivisions are responsible for monitoring, collecting and submitting settlement reporting data to the state by **September 1 annually**.
- **County Administrators will be responsible for disseminating** the reporting link to subdivisions in their county.
- To submit your annual subdivision report, **please contact your County Administrator.**

Reporting Requirements:

1. Total **amount received** by each subdivision,
2. Itemized **allocation of any awards approved** (listing the recipient, the amount awarded, the program to be funded, and disbursement terms),
3. Total **amounts disbursed** on Approved Purposes, and
4. Total amounts spent on **administrative expenses.**

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Subdivisions – Reporting Survey Questions

1. Demographic & Abatement Funds Administrator Contact Information

- Respondents will be identified using Subdivision State ID as outlined in the State Subdivision Agreement

2. Explanation of Funds

- Total Abatement Funds Received to Date
- Total Abatement Funds Expended to Date
- Did you transfer any or all abatement funds to your county? If so, how much? For Municipalities:
- Total Abatement Funds Expanded on Administrative Expenses

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Subdivisions – Reporting Survey Questions

3. Subdivision Purpose Statement

- Please share brief information on your subdivision's overarching goals and values to provide context for this year's spending decisions

4. General Information Questions

- Did your subdivision engage the public prior to making funding decisions?
- Did your county/municipality create or are you creating a Strategic Plan?
- Have you completed a Risk Assessment profile for demographic or geographic impact?
- What other information do you want to share about your process?

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Subdivisions – Reporting Survey Questions

5. Program/Funding Line Item Description

- Identify a spending category: Harm Reduction; Overdose Prevention; Long-Term Resiliency; Diversion from Incarceration; Prevention & Education; Recovery & Support; Treatment; or Workforce Development
- What entity received funding?
- How much was the funding amount?
- What is the proposed duration of the program and funding?
- Was the funding provided in a one-time allotment or will it be annualized?
- What is the target population and anticipated reach or impact of the funding?

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Subdivisions – Reporting Survey Questions

6. Tracking Program Success and Outcomes

- How do you plan to measure or track success and impact of this program?
- What Key Performance Indicators are you tracking for this program?
- If this program has already begun:
 - How many people has the program served?
 - Report out on the Key Performance Indicators
 - Statement of Impact

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Opioid Settlement Public Input

Opioid Settlements – Public Input

- New Jersey has established multiple methods through the public and stakeholders can provide input on the best use this funding.
 - An **Opioid Recovery and Remediation Advisory Council** will make recommendations regarding the prioritization and effective use of these funds.
 - An **online portal was used in the Fall 2022**, providing any member of the public the opportunity to weigh in on how these funds should be used to help those most impacted by the opioid crisis. More than 500 responses were received.
 - A **series of public listening sessions** are being held by the Opioid Advisory Council. The listening sessions began in May and will conclude in July 2023. To register to testify or attend the listening sessions, please go to www.nj.gov/opioidfunds

Opioid Advisory Council Public Members

Public Members

Commissioner Sarah Adelman (DHS)
Council Chairperson

Ex Officio Members

Michele Calvo
Department of Health

Mollie Greene
Department of Children & Families

Kelly Levy
Office of the Attorney General

Mavis Asiedu-Frimpong
Director, Rand Institute for Public Affairs Rutgers University - Camden

Brenda N. Azanedo
*Programs Manager
BLM Paterson*

Robert Detore
*Chief Executive Officer
Turning Point Inc.*

Jenna Mellor
*Executive Director
NJ Harm Reduction Coalition*

Solomon Middleton-Williams
*Deputy Director
Newark Community Street Team*

Dr. Amesika Nyaku
*Assistant Professor
Rutgers Medical School*

Shirla Simpson
*Director of Human Services
Burlington County*

Brian Thompson
*Housing Coordinator
Camden Coalition*

Morgan Thompson
*Chief Executive Officer
Prevention Links*

Dr. Debra Wentz
*President and CEO
New Jersey Association of Mental Health and Addiction Agencies*

Opioid Advisory Council Responsibilities

Review proposals, data, and analysis and **engage with stakeholders and community members** to develop and provide recommendations;

Gather and evaluate data regarding **the availability of, gaps in, and barriers** to substance use disorder prevention, treatment, and recovery programs and services to prevent overdose deaths, provide wraparound supports, and to expand harm reduction efforts;

Solicit feedback from stakeholders, providers, advocates, those with lived experience with opioid use, and other subject matter experts regarding services and programs needed;

Review & evaluate recommendations **submitted by the public via the online portal**; and

Evaluate approaches taken by New Jersey and other states in administering proceeds from national opioid litigation resolutions.

Opioid Advisory Council Public Listening Sessions

Date	Location	Time
<i>Thursday May 4th</i>	<i>Virtual</i>	<i>5 - 7 PM</i>
<i>Monday May 22nd</i>	<i>Mercer County Community College</i>	<i>1 – 3 PM</i>
<i>Monday June 12th</i>	<i>Camden County College</i>	<i>10 AM – 12 PM</i>
Thursday June 22nd	Essex County College	11 AM – 1 PM
Thursday July 20th	Virtual	11 AM – 1 PM

Register to testify or attend these public listening sessions.

NJ.GOV/OPIOIDFUNDS

Note: Public listening sessions are designed for the State and the Opioid Advisory Council to receive the public's feedback and input on spending settlement abatement funds. This will not be a working meeting of the NJ Opioid Advisory.

Questions? Email us at opioidsettlement@dhs.nj.gov