



PARTICIPATION IN THE GLOBAL OPIOID SETTLEMENT

RS-21-142

November 2, 2021

Background

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- In 2020, drug overdose deaths rose nearly 30% in the United States to a record high of 93,000
- Opioid overdose deaths hit a record 69,000 in the United States
- In Texas, drug overdose deaths also increased by 31.9%, driven primarily by opioid overdose deaths
- The opioid overdose death increase was driven by fentanyl and other synthetic opioids

Sources: "Provisional Drug Overdose Death Counts." Centers for Disease Control: National Center for Health Statistics (last accessed July 23, 2021)

"U.S. Drug-Overdose Deaths Soared Nearly 30% in 2020, Driven by Synthetic Opioids." Betsy McKay, Wall Street Journal (July 14, 2021),

Texas Attorney General

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- On July 23, 2021, Texas Attorney General Paxton announced that Texas and other states had reached final agreements with 4 companies to resolve legal claims for their role in the opioid crisis
 - 3 distributors – AmerisourceBergen, Cardinal Health and McKesson
 - 1 manufacturer – Johnson & Johnson

Settlement Details

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- \$26 billion paid out over 18 years
- Funding is distributed to states according to an allocation agreement
- Texas
 - \$1.5 billion
 - \$1.17 billion from distributors
 - \$268 million from Johnson & Johnson
 - Texas' share of the settlement is dependent on how many entities join.

Settlement Details (continued)

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- Injunctive terms
 - Distributors
 - Subject to oversight and accountability
 - Required to establish and fund an independent clearinghouse to track opioid distribution and flag suspicious orders
 - Johnson & Johnson prohibited from selling or promoting opioids

Local Allocations

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- Killeen allocation:
 - \$653,826
 - \$531,631 from distributors, \$122,195 from J&J
 - Funds to be used to support a variety of strategies to fight the opioid crisis
- Region 8 will also receive \$29,862,721
 - Bell, Blanco, Burnet, Lampasas, Milam, San Saba, and Williamson Counties

Participation

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- Adopt the Texas Term Sheet
- Sign the subdivision settlement participation forms, one each for distributors and J&J
- Return the documents to the Attorney General by January 2, 2022

Alternatives

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- Do not authorize participation in the Global Opioid Settlement
- Authorize participation in the Global Opioid Settlement

Recommendation

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- Based on the recommendation of the Texas Attorney General's office, staff recommends that the City Council authorize participation in the Global Opioid Settlement and adopt the Texas Abatement and Fund Council and Settlement Allocation Term Sheet.