



Opioid Summit – January 12, 2023

A red pushpin is stuck into a map background. The map shows a grid of streets and some green areas. The pushpin is positioned in the upper left quadrant of the image.

Where does the
information
reside?

<https://nationalopioidsettlement.com/>

The Rules Surrounding Accounting for Proceeds

- Sec. 165.12(4)(b) – a local government that receives settlement proceeds “shall deposit the moneys in a segregated account...”
- What about investment income? Sec. 165.12(4)(b)2. – “a local government may expend moneys of the segregated account solely for the purposes identified as approved uses for abatement...”
 - An argument can be made that investment income is not subject to the statutory restriction, BUT the safest way to proceed would be to treat investment income the same as settlement funds.
- Sec. 165.12(4)(b)3. – “a local government may not use moneys from the segregated account to substitute for budgeted moneys from the other sources.”
- Sec. 165.12(4)(b)4. – “a local government may allocate moneys from the segregated account to any other political subdivision in the state if there is an agreement requiring the other political subdivision to expend the moneys for” an approved abatement use.
- Sec. 165.12 (4)(b)5. – “local governments may combine moneys from their segregated accounts if each local government conforms to the reporting requirement under par. (c).”
- Sec. 165.12(4)(b)6. – “a local government shall include the segregated account in the local government's typical audit process.”

The Rules Surrounding Reporting

- For ALL proceeds:
 - Sec. 165.12(4)(c) – “By May 1 annually, a local government that receives [settlement proceeds] shall submit a report to the department of justice and joint committee on finance that includes all of the following:
 - The amount of money in the local government’s segregated account ... as of December 31 of the previous year.
 - An accounting of the receipts and disbursements from the segregated account ... in the previous year.”

Use of Settlement Funds

All funds must be for approved purposes listed in Ex. E to the Settlement Agreement.

[https://nationalopioidsettlement.com/wp-content/uploads/2022/03/Final Distributor Settlement Agreement 3.25.22 Final.pdf](https://nationalopioidsettlement.com/wp-content/uploads/2022/03/Final_Distributor_Settlement_Agreement_3.25.22_Final.pdf)

New Settlements:

- Allergan
- Teva
- CVS
- Wal-Mart
- Walgreens

Manufacturers

- Allergan \$2.37 billion to be paid over 6 years
- Teva \$4.25 billion to be paid over 13 years

TOTAL: \$6.62 billion

Pharmacies

- Walgreens \$5.7 billion to be paid out over 15 years
- CVS \$5 billion to be paid out over 10 years
- Wal-Mart \$2.75 billion to be paid out over 6 years

TOTAL: \$13.45 billion

Bankruptcies

NOAT Information:

<https://www.nationalopioidabatementtrust.com/>

The Rules Surrounding Reporting – NOAT II Funds

- NOAT II is the trust established in the Mallinckrodt bankruptcy (NOAT I is for Purdue Pharma and has not yet been finalized)
- Two important reporting requirements for NOAT II:
 1. At least annually, each Qualifying Block Grantee which has elected to take a Local Government Block Grant shall publish on its website, and deliver to NOAT II, a report detailing for the preceding time period, respectively (i) the amount of Local Government Block Grants received, (ii) the allocation of awards approved (indicating the recipient, the amount of the grant, the program to be funded and disbursement terms), and (iii) the amounts disbursed on approved allocations. Such annual reports for NOAT II may be combined with any reports submitted by a Qualifying Block Grantee as required in the National Opioid Abatement Trust Distribution Procedures, to the extent set forth in guidance to be provided by the NOAT II Trustees.
 2. As applicable, each State or Local Government shall impose reporting requirements on each recipient to ensure that NOAT II Funds are only being used for Approved Uses, in accordance with the terms of the allocation.

Forms for NOAT II and Reporting

- The Wisconsin forms have not yet been published. When they are, they will be located here:

<https://www.nationalopioidabatementtrust.com/Home/StateTerritoryDetail?ID=14248>

STATUS OF SECURITIZATION EFFORTS

Questions?

