

Opioid Litigation Settlements Participation Overview

Presentation by the
Office of the Attorney General of Virginia

October 25, 2021

Distributors and Janssen Settlements

- \$26 Billion National Settlement
- Approximately ***\$530 Million*** available to Virginia and Localities
 - Amount Depends on Participation of Localities
- Funds Distributed over 18 and 9 years with sums front-loaded
- Join by January 2, 2022



Other Opioid Settlements and Litigation

- McKinsey
- Bankruptcy Cases
 - Purdue Pharma
 - Mallinckrodt
- Teva/Cephalon Litigation
- Other Investigations



VA Opioid Abatement Fund and Settlement Allocation Memorandum of Understanding

- Agreement Between Commonwealth and Localities Regarding Allocation of Settlement Proceeds
- Impetus for Creation of Virginia's Opioid Abatement Authority and Opioid Abatement Fund
 - Va. Code §§ 2.2-507.3, 2.2-2365 through 2.2-2376
- Provisions for Payment of Localities' Litigation Counsel



Allocation of Settlement Funds under MOU

- 15% to Participating Localities – Unrestricted*
- 15% to Participating Localities – Abatement Purposes
- 15% to Commonwealth – Unrestricted*
- 55% to Opioid Abatement Fund

*Unless settlement requires that all or more funds be used for abatement



Opioid Abatement Fund Allocation

- 15% to Participating Localities*
- 35% to Participating Localities' Regional Partnerships*
- 15% to State Agencies
- 35% Unrestricted – Any of the above and administrative expenses*

*Up to 85% available for Participating Localities



VIRGINIA OPIOID ABATEMENT AUTHORITY BOARD OF DIRECTORS

- **Joseph P. Baron**
Sheriff, City of Norfolk
- **Sharon H. Buckman**
Director of Clinical Services, Piedmont Community Service
- **The Honorable James Holland**
Chair, County Board of Supervisors, Chesterfield County
- **Victor McKenzie Jr.**
Executive Director, Substance Abuse and Addiction Recovery Alliance of Virginia
- **Sarah T. Melton, PharmD, BCPP**
Associate Professor of Pharmacy Practice, Gatton College of Pharmacy, East Tennessee State University
- **Timothy R. Spencer**
City Attorney, City of Roanoke
- **James Thompson**
Founder and Chief Medical Officer, Master Center for Addiction Medicine
- **Daryl Washington, LCSW**
Executive Director, Community Services Board, Fairfax-Falls Church
- **Corey Pleasants**
Assistant Secretary of Health and Human Resources
- **Todd Pillion, DDS**
Senator, 40th Senatorial District
- **Jay Jones**
Delegate, 89th District

VIRGINIA OPIOID ABATEMENT AUTHORITY

CURRENT SCHEDULE STATUS

- **First Meeting: October 5, 2021**
- **Next Meeting: November 8, 2021 @ 1:00 p.m.**
 - **Will adopt By-Laws**
 - **Election of Officers**

Participation Logistics

- Localities Must Join **Both** the Settlements and the Virginia MOU to Receive Funds
- Adopt Resolutions to Join the Settlements **and** the Virginia MOU
- Submit Required Documentation **by January 2, 2022**



Participation Logistics

STEP 1 – Join the Virginia MOU

- Adopt a resolution approving the MOU
 - Model resolution language can be provided
- Send copies of the resolution to:
 - Tom Beshere, Virginia Attorney General's Office:
tbeshere@oag.state.va.us
 - Ed Spivey, Kaufman & Canoles:
wespivey@kaufcan.com



Participation Logistics

STEP 2 – Sign on to the Settlement Agreements

- Adopt a resolution approving the settlements and delegating authority to enter/execute the settlements to the relevant subdivision officer.
- Go to <https://nationalopioidsettlement.com> and register with your assigned registration code to register. Provide the name and e-mail address of the person who will be authorized to sign formal and binding documents on your subdivision's behalf.
- Once you receive the settlement participation documents, use the DocuSign service to complete and execute the documents, and submit the completed and signed documentation via the website.

**Note: Steps 1 and 2 can be done concurrently.*



Participation Logistics

REMEMBER:

To maximize Virginia's share (and the share of Participating Localities) of money from the National Settlements . . .

Localities must complete all steps by:

January 2, 2022



WHY IS YOUR SUBDIVISION RECEIVING THIS NOTICE?

You are receiving this letter because Virginia has elected to participate in both of the two national Settlements against (1) the Distributors, and (2) Janssen, and your subdivision may participate in the Settlements; This notice is being sent directly to subdivisions and also to attorneys for subdivisions that we understand are litigating against these companies. If you are represented by an attorney with respect to opioid claims, please immediately contact them. Please note that there is no need for subdivisions to be represented by an attorney or to have filed a lawsuit to participate in the Settlements.

WHERE CAN YOU FIND MORE INFORMATION?

This letter is intended to provide a brief overview of the Settlements. Detailed information about the Settlements may be found at <https://nationalopioidsettlement.com/>. This national settlement website also includes links to information about how the Settlements are being implemented in your state and how settlement funds will be allocated within your state. This website will be supplemented as additional documents are created.

HOW DO YOU PARTICIPATE IN THE SETTLEMENTS?

You must go to the national settlement website to register to receive in the coming weeks and months the documentation your subdivision will need to participate in the Settlements (if your subdivision is eligible). All required documentation must be executed and submitted electronically through the website and must be executed using the "DocuSign" service. As part of the registration process, your subdivision will need to identify, and provide the email address for, the individual who will be authorized to sign formal and binding documents on behalf of your subdivision.

Your unique Subdivision Identification Number to use to register is: _____

HOW WILL SETTLEMENT FUNDS BE ALLOCATED IN EACH STATE?

The settlement funds are first divided among the participating states according to a formula developed by the Attorneys General that considers population and the severity of harm cause by the opioid epidemic in each participating state. Each state's share of the abatement funds is then further allocated within each state according to agreement between the state and its subdivisions, applicable state allocation legislation, or, in the absence of these, the default provisions in the agreements.

Many states have or are in the process of reaching an agreement on how to allocated abatement funds within the states. Allocation agreements, legislation, and other information about Virginia's allocation agreement or legislation can be found on the national settlement website. The allocation section of the website will be supplemented as more intrastate allocation arrangements are finalized.

In reviewing allocation information, please note that while all subdivisions may participate in the Settlements, not all subdivisions are eligible to receive direct payments. To promote efficiency in the use of abatement funds and avoid administratively burdensome disbursements that would be too small to add a meaningful abatement response, certain small subdivisions do not automatically receive a direct allocation. However, participation by such subdivisions will help maximize the amount of abatement funds being paid in the Settlements, including those going to counties, cities, parishes, and other larger subdivisions in their communities.

Questions About Subdivision Identification Number?

Email:

registration@nationalopioidsettlement.com



National Opioid Settlement

[HOME](#)[EXECUTIVE SUMMARY](#)[EXPLANATORY CHARTS](#)[DETERMINATOR SETTLEMENT AGREEMENT](#)[J&J SETTLEMENT AGREEMENT](#)[SETTLEMENT CONFIRMATIONS](#)[ORDERS](#)[ETHICS OPINION](#)[FAQ](#)

This site will be supplemented and updated as new information becomes available.

National Opioids Settlement

Update: Subdivisions Register Here to Receive Participation Agreements for Distributor and Janssen Settlement Agreements

[Please use Google Chrome, Microsoft Edge, or another Modern Browser]

On Wednesday, July 21, 2021, the National Prescription Opiate Litigation MDL Plaintiffs' Executive Committee, several State Attorneys General, and four major defendants announced agreement on terms of proposed nationwide settlements to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health and AmerisourceBergen ("Distributors"), and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (collectively, "J&J"). These settlements, if agreed and adopted, will provide substantial funds to states and subdivisions for abatement of the Opioids epidemic across the country and will impose transformative changes in the way the settling defendants conduct their business.

This website provides copies of the agreements, as well as additional documents and information concerning these historic proposed settlements. The agreements themselves control the terms of the settlements and entities eligible to participate in the settlements should consult with counsel about participation.

- [Distributor Master Settlement Agreement](#)

STATE-SPECIFIC DOCUMENTS

[Arizona](#)[Colorado](#)[Delaware](#)[Florida](#)[Kansas](#)[Kentucky](#)[Massachusetts](#)[Minnesota](#)[Nebraska](#)[Nevada](#)[New Jersey](#)[New York](#)[North Carolina](#)[Ohio](#)[Tennessee](#)[Texas](#)[Virginia](#)[Wisconsin](#)



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Virginia Documents

- [Allocation Deal – Virginia](#)

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[Arizona](#)

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[Massachusetts](#)

[Minnesota](#)

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VIRGINIA OPIOID ABATEMENT FUND AND SETTLEMENT ALLOCATION MEMORANDUM OF UNDERSTANDING

WHEREAS, the people of the Commonwealth of Virginia and its communities have been harmed through the national and statewide epidemic caused by licit and illicit opioid use and distribution within the Commonwealth of Virginia;

WHEREAS, the Commonwealth of Virginia, through the Office of Attorney General Mark R. Herring, and certain Political Subdivisions, through their elected representatives and counsel, are separately engaged in litigation seeking to hold those entities in the Pharmaceutical Supply Chain accountable for the damage caused;

WHEREAS, the Commonwealth of Virginia and its Political Subdivisions share a common desire to abate and alleviate the impacts of the opioid epidemic throughout Virginia; and now

THEREFORE, the Commonwealth of Virginia and certain of its Political Subdivisions, subject to completing formal documents effectuating the Parties' agreements, enter into this Virginia Opioid Abatement Fund and Settlement Allocation Memorandum of Understanding ("MOU") relating to the allocation and use of the proceeds of any Settlements as described herein.

A. Definitions

As used in this Virginia Term Sheet:

1. **"The Commonwealth"** shall mean the Commonwealth of Virginia acting through its Attorney General.
2. **"Political Subdivision(s)"** shall mean the Virginia counties and independent cities represented by Counsel.
3. **"Participating Political Subdivisions"** shall mean the Political Subdivisions, along with all Virginia counties and independent cities who agree to become signatories to this MOU and to be bound by the terms of future Settlements.

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National Opioids Settlement

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[Texas](#)

[Virginia](#)

[Wisconsin](#)

Subdivisions Register Here to Receive Participation Agreements for Distributor and Janssen Settlement Agreements

Step 1: Verify Registration Code

Select your state, your political subdivision, enter your Subdivision's unique registration code, and click "Verify Registration Code"

State

Political Subdivision

Registration Code

Verify Registration Code

Subdivisions Register Here to Receive Participation Agreements for Distributor and Janssen Settlement Agreements

Registration Code Verified

State: Virginia

Political Subdivision: **PRINCE WILLIAM COUNTY | PRINCE WILLIAM COUNTY**

Step 2: Complete the required information below

Fill in the information for the person authorized to sign the settlement documents for your Political Subdivision and click "Submit"

| | |
|------------|-----------|
| First Name | Last Name |
|------------|-----------|

Note: Please provide the email address that the person who will be signing regularly uses for their government work

| | | |
|------|-------|-----|
| City | State | Zip |
|------|-------|-----|

Will your political subdivision be executing your settlement participation form via DocuSign or paper signature?

DocuSign paper signature

Type the name of the person submitting this form

RESOLUTION

A RESOLUTION OF THE BOARD OF SUPERVISORS [CITY COUNCIL] APPROVING OF THE COUNTY'S [CITY'S] PARTICIPATION IN THE PROPOSED SETTLEMENT OF OPIOID-RELATED CLAIMS AGAINST MCKESSON, CARDINAL HEALTH, AMERISOURCEBERGEN, JANSSEN, AND THEIR RELATED CORPORATE ENTITIES, AND DIRECTING THE COUNTY [CITY] ATTORNEY TO EXECUTE THE DOCUMENTS NECESSARY TO EFFECTUATE THE COUNTY'S [CITY'S] PARTICIPATION IN THE SETTLEMENTS

WHEREAS, the opioid epidemic that has cost thousands of human lives across the country also impacts the Commonwealth of Virginia and its cities and counties by adversely impacting, amongst other things, the delivery of emergency medical, law enforcement, criminal justice, mental health and substance abuse services, and other services; and

WHEREAS, the Commonwealth of Virginia and its cities and counties have been required and will continue to be required to allocate substantial taxpayer dollars, resources, staff energy and time to address the damage the opioid epidemic has caused and continues to cause the citizens of Virginia; and

WHEREAS, settlement proposals have been negotiated that will cause McKesson, Cardinal Health, AmerisourceBergen, and Janssen to pay up to \$26 billion nationwide to resolve opioid-related claims against them;

NOW THEREFORE BE IT RESOLVED that the Board of Supervisors [City Council], this ___ day of , 2021, approves of the County's [City's] participation in the proposed settlement of opioid-related claims against McKesson, Cardinal Health, AmerisourceBergen, Janssen, and their related corporate entities, and directs the County [City] Attorney to execute the documents necessary to effectuate the County's [City's] participation in the settlements, including the required release of claims against settling entities.

RESOLUTION

A RESOLUTION OF THE BOARD OF SUPERVISORS [CITY COUNCIL] APPROVING OF THE COUNTY'S [CITY'S] PARTICIPATION IN THE VIRGINIA OPIOID ABATEMENT FUND AND SETTLEMENT ALLOCATION MEMORANDUM OF UNDERSTANDING ("MOU") AND DIRECTING THE COUNTY [CITY] ATTORNEY TO EXECUTE THE DOCUMENTS NECESSARY TO EFFECTUATE THE COUNTY'S [CITY'S] PARTICIPATION IN THE MOU

WHEREAS, the opioid epidemic that has cost thousands of human lives across the country also impacts the Commonwealth of Virginia and its cities and counties by adversely impacting, amongst other things, the delivery of emergency medical, law enforcement, criminal justice, mental health and substance abuse services, and other services; and

WHEREAS, the Commonwealth of Virginia and its cities and counties have been required and will continue to be required to allocate substantial taxpayer dollars, resources, staff energy and time to address the damage the opioid epidemic has caused and continues to cause the citizens of Virginia; and

WHEREAS, in order to advance their common interests, Virginia local governments and the Commonwealth of Virginia, through counsel, have extensively negotiated the terms of a Memorandum of Understanding relating to the allocation and use of litigation recoveries relating to the opioid epidemic;

NOW THEREFORE BE IT RESOLVED that the Board of Supervisors [City Council], this ___ day of , 2021, hereby authorizes and approves of the Virginia Abatement Fund and Settlement Allocation Memorandum of Understanding ("MOU") attached hereto and incorporated by reference as Exhibit "A," and directs the County [City] Attorney to execute the MOU.

Questions?

Office of the Attorney General Contacts:

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Senior Assistant Attorney General and Section Chief

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