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Opioid Recoveries

Fund for a Resilient Nevada

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Department of Health and Human Services

Helping people. It's who we are and what we do.



Agenda

1. Review of Opioids Litigation
2. Review of Opioids Settlements
3. Review of Allocation Agreement
4. Review of State Needs Assessment
5. Review of State Plan
6. Proposed Allocations
7. Conclusion and Questions

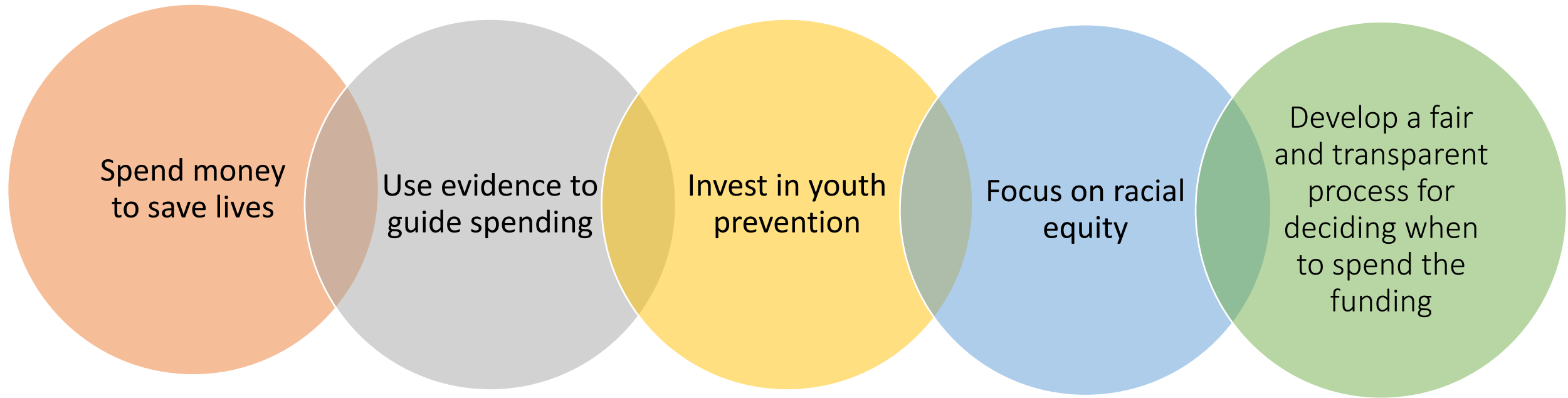


Opioid Settlement Litigation Laws and Agreements

- Lessons learned from Big Tobacco Settlements
- Directs funding toward resolving the issues that drive the opioid crisis
- Currently 20 states have some legislation in place; 13 states passed laws in 2021
- Emphasis on ensuring there is a transparent, equitable way states allocate funding to address the risks, harms, and impacts of the opioid crisis in direct accordance with the settlements
- Model legislation describes core components; Nevada's legislation meets or exceeds all primary criteria
- Model legislation can be found here: <https://legislativeanalysis.org/model-opioid-litigation-proceeds-act/>



Principles for the Use of Funds from the Opioid Litigation (Johns Hopkins; 2021)





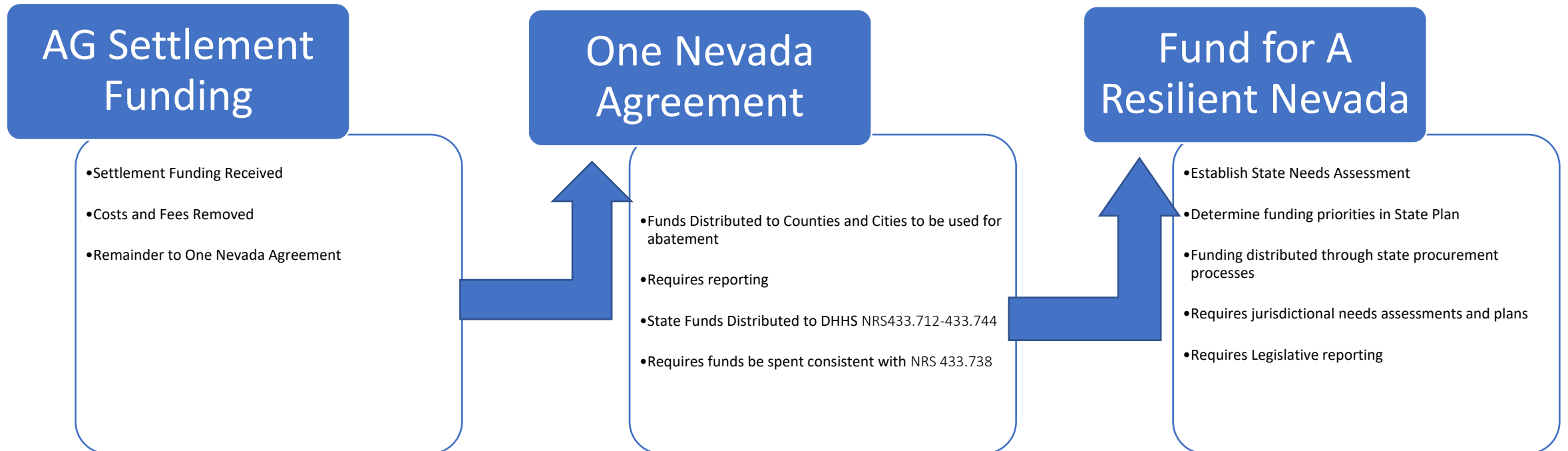
Review of Settlement Allocations

- All signatories have agreed to participate in the settlements
 - All Counties in Nevada
 - All litigating political subdivisions
- All recoveries to be used to remediate the harms, impact, and risks caused by the opioid epidemic to the State of Nevada and its residents (Abatement)
- **Uses consistent with those uses outlined in *Nevada Revised Statutes (NRS) 433.712 through 733.744***

**One Nevada
Agreement on
Allocation
of Opioid
Recoveries**



Opioid Settlement Litigation Funding Distribution





Legislation

- *Nevada Revised Statutes (NRS) 433.712 through 433.744:*
 - Established the Fund for a Resilient Nevada.
 - Created the Advisory Committee for a Resilient Nevada (ACRN).
 - Established requirements for a Needs Assessment.
 - Established requirements for the allocation of funding through a Statewide Plan
 - Established annual reporting of uses.



The Fund for a Resilient Nevada

- Is the fund where the State's portion of recoveries is deposited after payment to counties and the lead litigator costs and fees.
- Is managed by the Department of Health and Human Services.
- Requires the funds to be used to abate the opioids epidemic through evidence-based programs and services.



Actual and Estimated Annual Payments and Allocations Under the One Nevada Agreement

Chart 1

Opioid Settlement and Bankruptcy Actual and Estimated Annual Payments and Allocations under the One Nevada Agreement <i>(assumes no default in payments)</i> <i>(CMS Medicaid Costs, if any, not deducted)</i> <i>(assumes no administrative fees for Court appointed Third Party Administrator)</i>								
<u>Settlement/Bankruptcy Name</u>	<u>Estimated Payment Year</u>	<u>Estimated Payment Month</u>	<u>State and Signatories of One Nevada Agreement Share of Settlements</u>	<u>Costs</u>	<u>Total Amount to be Allocated</u>	<u>Attorney Fees</u>	<u>Total Allocation after Fees</u>	<u>Actual/Estimated Allocation Month/Year</u>
J&J	2022	April	\$50,833,353.00	\$3,897,545.43	\$46,935,807.57	\$7,037,053.92	\$39,898,753.65	July, 2022
Distributors	2022	August	\$9,897,161.96	\$0.00	\$9,897,161.96	\$1,724,851.29	\$8,172,310.67	August, 2022
Distributors	2022	September	\$10,401,434.73	\$0.00	\$10,401,434.73	\$1,724,851.29	\$8,676,583.44	September, 2022
American Drug Stores	2022	November	\$1,500,000.00	\$0.00	\$1,500,000.00	\$337,815.52	\$1,162,184.48	December, 2022
Mallinckrodt	2022	November	\$1,849,733.70	\$0.00	\$1,849,733.70	\$416,579.22	\$1,433,154.48	December, 2022
Distributors	2023	July	\$10,401,434.73	\$0.00	\$10,401,434.73	\$1,724,851.29	\$8,676,583.44	July, 2023
Distributors	2024	July	\$13,018,868.99	\$0.00	\$13,018,868.99	\$2,158,895.73	\$10,859,973.26	July, 2024
J&J	2025	April	\$2,675,439.64	\$0.00	\$2,675,439.64	\$443,663.37	\$2,231,776.27	July, 2025
Distributors	2025	July	\$13,018,868.99	\$0.00	\$13,018,868.99	\$2,158,895.73	\$10,859,973.26	July, 2025
Distributors	2026	July	\$13,018,868.99	\$0.00	\$13,018,868.99	\$2,158,895.73	\$10,859,973.26	July, 2026
Distributors	2027	July	\$13,018,868.99	\$0.00	\$13,018,868.99	\$2,158,895.73	\$10,859,973.26	July, 2027
Distributors	2028	July	\$15,311,758.47	\$0.00	\$15,311,758.47	\$2,539,121.46	\$12,772,637.01	July, 2028
Distributors	2029	July	\$15,311,758.47	\$0.00	\$15,311,758.47	\$2,539,121.46	\$12,772,637.01	July, 2029
Distributors	2030	July	\$15,311,758.47	\$0.00	\$15,311,758.47	\$2,539,121.46	\$12,772,637.01	July, 2030
Distributors	2031	July	\$12,871,078.28	\$0.00	\$12,871,078.28	\$2,134,387.83	\$10,736,690.45	July, 2031
Distributors	2032	July	\$12,871,078.28	\$0.00	\$12,871,078.28	\$2,134,387.83	\$10,736,690.45	July, 2032
Distributors	2033	July	\$12,871,078.28	\$0.00	\$12,871,078.28	\$2,134,387.83	\$10,736,690.45	July, 2033
Distributors	2034	July	\$12,871,078.28	\$0.00	\$12,871,078.28	\$2,134,387.83	\$10,736,690.45	July, 2034
Distributors	2035	July	\$12,871,078.28	\$0.00	\$12,871,078.28	\$2,134,387.83	\$10,736,690.45	July, 2035
Distributors	2036	July	\$12,871,078.28	\$0.00	\$12,871,078.28	\$2,134,387.83	\$10,736,690.45	July, 2036
Distributors	2037	July	\$12,871,078.28	\$0.00	\$12,871,078.28	\$2,134,387.83	\$10,736,690.45	July, 2037
Distributors	2038	July	\$12,871,078.28	\$0.00	\$12,871,078.28	\$2,134,387.83	\$10,736,690.45	July, 2038
Totals			\$288,537,935.37	\$3,897,545.43	\$284,640,389.94	\$46,737,715.84	\$237,902,674.10	



Actual and Estimated Deposits to the Fund for a Resilient Nevada

Chart 2

State of Nevada - Deposits to the Resilient Fund for Nevada (assumes no default in payments) (CMS Medicaid Costs, if any, not deducted)					
Settlement Name	Estimated Payment Date	Estimated Payment Month	Gross Allocation	Fees at 19%	Net Allocation
McKinsey*	2021	August	\$28,461,750.49	\$5,407,732.59	\$23,054,017.90
J&J	2022	April	\$18,612,345.20	\$3,536,345.59	\$15,075,999.61
Distributors	2022	August	\$4,340,895.22	\$824,770.09	\$3,516,125.13
Distributors	2022	September	\$4,562,069.29	\$866,793.17	\$3,695,276.12
American Drug Stores	2022	November	\$657,900.01	\$131,580.00	\$526,320.01
Mallinckrodt	2022	November	\$811,293.19	\$162,258.64	\$649,034.55
Distributors	2023	July	\$4,562,069.29	\$866,793.17	\$3,695,276.12
Distributors	2024	July	\$5,710,075.94	\$1,084,914.43	\$4,625,161.51
J&J	2025	April	\$1,173,447.81	\$222,955.08	\$950,492.73
Distributors	2025	July	\$5,710,075.94	\$1,084,914.43	\$4,625,161.51
Distributors	2026	July	\$5,710,075.94	\$1,084,914.43	\$4,625,161.51
Distributors	2027	July	\$5,710,075.94	\$1,084,914.43	\$4,625,161.51
Distributors	2028	July	\$6,715,737.27	\$1,275,990.08	\$5,439,747.19
Distributors	2029	July	\$6,715,737.27	\$1,275,990.08	\$5,439,747.19
Distributors	2030	July	\$6,715,737.27	\$1,275,990.08	\$5,439,747.19
Distributors	2031	July	\$5,645,254.94	\$1,072,598.44	\$4,572,656.50
Distributors	2032	July	\$5,645,254.94	\$1,072,598.44	\$4,572,656.50
Distributors	2033	July	\$5,645,254.94	\$1,072,598.44	\$4,572,656.50
Distributors	2034	July	\$5,645,254.94	\$1,072,598.44	\$4,572,656.50
Distributors	2035	July	\$5,645,254.94	\$1,072,598.44	\$4,572,656.50
Distributors	2036	July	\$5,645,254.94	\$1,072,598.44	\$4,572,656.50
Distributors	2037	July	\$5,645,254.94	\$1,072,598.44	\$4,572,656.50
Distributors	2038	July	\$5,645,254.94	\$1,072,598.44	\$4,572,656.50
TOTAL			\$151,331,325.59	\$28,767,643.81	\$122,563,681.78

*Pre-One Nevada Agreement; \$45,000,000.00 less costs of \$16,538,249.51.



The Advisory Committee for a Resilient Nevada (ACRN)

- The ACRN is composed of members who range from subject matter experts in their fields to consumers or family members who have been affected by the opioid epidemic.
- Its primary goal was to prioritize recommendations based on the needs assessment, in a report to the director, for the potential allocation of funds.



Statewide Needs Assessment

NRS 433.734 Requires DHHS to create a State Needs Assessment

This Needs Assessment was created by:

- Using the damages report in the opioid litigation, qualitative and quantitative data, and evidence-based practices;
- Using community-based participatory research or similar methods to conduct outreach to groups impacted by opioids;
- Outreach to governmental agencies that interact with groups impacted such as public safety, corrections, courts, juvenile justice agencies, etc.; and
- Through input and advisement from the Advisory Committee and other sources including public meetings, and regional, local, and tribal agencies.



Statewide Plan

- Created for DHHS to determine which programs and services identified in the Needs Assessment should be prioritized for funding
- Must be updated every 4 years and
- On or before January 31 of each year, the Department shall transmit a report concerning all findings and recommendations made and money expended pursuant to [NRS 433.734](#) to [433.740](#), inclusive, to:
 - (a) The Governor;
 - (b) The Director of the Legislative Counsel Bureau for transmittal to:
 - (1) In odd-numbered years, the next regular session of the Legislature; and
 - (2) In even-numbered years, the Joint Interim Standing Committee on Health and Human Services and the Interim Finance Committee;
 - (c) The Commission;
 - (d) Each regional behavioral health policy board created by [NRS 433.429](#);
 - (e) The Office of the Attorney General; and
 - (f) Any other committees or commissions the Director of the Department deems appropriate.

Document Link: [Nevada Opioid Needs Assessment and Statewide Plan 2022 \(nv.gov\)](#)



Statewide Plan: Section breakdown

- Sections 3 through 6 comprise the Needs Assessment.
- Sections 4 and 5 present the opioid impact and currently available systems, as well as the corresponding gaps.
- The gaps identified in sections 4 and 5 informed each recommendation in Section 6.
- Section 7 provides the Statewide Plan with goals, strategies, objectives, and activities developed from the recommendations and stakeholder feedback that may be funded through the Fund for a Resilient Nevada and other funding sources.
- Section 8 offers details on the next steps for further detailing activities in the Statewide Plan and preliminary allocation proposals.



Statewide Plan: Appendices breakdown

Appendix A: Data Sources

Appendix B: Reference Documents

Appendix C: Prior Work Toward Johns Hopkins Best Practice Recommendations

Appendix D: Additional Data

Appendix E: Approved Uses for Opioid Remediation

Appendix F: Policies and Procedures



Abatement Use Categories, per Schedule B of the National Opioid Abatement Trust II Trust Distribution Process (NOAT II TDP)

- Treat Opioid Use Disorder (OUD)
- Support People in Treatment and Recovery
- Connect People Who Need Help to the Help They Need (Connections to Care)
- Address the Needs of Criminal-Justice-Involved Persons
- Address the Needs of Pregnant Or Parenting Women and Their Families, Including Babies with Neonatal Abstinence Syndrome
- Prevent Over-Prescribing and Ensure Appropriate Prescribing and Dispensing of Opioids
- Prevent Misuse of Opioids
- Prevent Overdose Deaths and Other Harms (Harm Reduction)
- First Responders
- Leadership, Planning, and Coordination
- Training
- Research



Proposed Budget Allocation for Statewide Plan Goals and Estimated Allocations

Goal 1: Ensure Local Programs Have the Capacity to Implement Recommendations Effectively and Sustainably

Proposed funding estimates: **FY23** \$1,463,000 **FY24** \$1,674,700 **FY25** \$1,694,941

Goal 2: Prevent the Misuse of Opioids

Proposed funding estimates: **FY23** \$500,000 **FY24** \$2,185,000 **FY25** \$2,100,000

Goal 3: Reduce Harm Related to Opioid Use

Proposed funding estimates: **FY23** \$140,000 **FY24** \$140,000 (min) **FY25** \$140,000 (min)

Goal 4: Provide Behavioral Health Treatment

Proposed funding estimates: **FY23** \$1,700,000 **FY24** \$1,500,000 **FY25** \$1,500,000

Goal 5: Implement Recovery Communities across Nevada

Proposed funding estimates: To Be Determined

Goal 6: Provide Opioid Prevention and Treatment Consistently across the Criminal Justice and Public Safety Systems

Proposed funding estimates: To Be Determined

Goal 7: Provide High Quality and Robust Data and Accessible, Timely Reporting

Proposed funding estimates: **FY23** \$361,149 **FY24** \$743,597 **FY25** \$520,025

****Numbers have already changed from proposed estimates****



Funding

Per NRS 433.738, the statewide plan may allocate money to:

1. statewide projects to address the impact of opioid use disorder and other substance use disorders; and/or
2. provide grants to regional, local or tribal governments and private-sector organizations whose work relates to opioid use disorder or other substance use disorders.

Administrative Expenses:

No more than five percent (5%) of the allocated recoveries received pursuant to any opioid settlement or bankruptcy may be used to fund expenses or costs of any kind incurred in administering the recoveries, including, but not limited to, the allocated recoveries, and selecting, distributing, disbursing, implementing, or operating the programs or services that will use the funds. This limitation applies to all signatories to the One Nevada Agreement on Allocation of Opioid Recoveries as well as all grantees or recipients of funds from the Resilient Fund of Nevada under NRS 433.732 through NRS 433.744.



Regional, County, and Tribal Needs Assessments and Plans

To be eligible for Fund for Resilient Nevada settlement funding, counties, regions and tribes must create a needs assessment including community outreach to create a plan for combating the opioid epidemic and setting priorities for funding and have a plan for intended uses.

- Created:
 - using local government's damages report in their opioid litigation, qualitative and quantitative data, and evidenced-based practices
 - using community-based participatory research or similar methods to conduct outreach to groups impacted by opioids
 - through outreach to governmental agencies who interact with groups impacted such as public safety, corrections, courts, juvenile justice agencies, etc.
 - through input and advice from other sources including the public and regional, local and tribal agencies.



Ensuring Accountability

To ensure fiscal accountability, existing programs and funding sources were and continue to be identified and evaluated. The Fund for a Resilient Nevada Unit (FRNU) is currently mapping the use and availability of all the State and Federal opioid and substance use funds. The map will serve as a consolidated document of programs that exist and highlight those activities that require funding.

As part of this review, all money recovered or anticipated to be recovered by county, local, or Tribal governmental agencies through judgments, settlements or bankruptcies resulting from litigation concerning the manufacture, distribution, sale, or marketing of opioids, and the programs currently existing in each geographic region of this state to address opioid use disorder and other substance use disorders are being analyzed.



Questions?



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Acronyms

- ACRN - Advisory Committee for a Resilient Nevada
- CMS - Centers for Medicare and Medicaid Services
- NOAT II TPD – National Opioid Abatement Trust II Trust Distribution Process
- NRS - Nevada Revised Statutes
- OUD – Opioid Use Disorder