Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
12/20/2021	1	City Council	Approved	Pass

Resolution to Approve the City's Participation in the Settlement of the National Prescription Opiate Litigation

The attached Resolution approves of the City's participation in the settlement of the national prescription opiate litigation and authorizes the City Administrator to execute the settlement documents, which must be executed by January 2, 2022 to participate in the historic settlement.

The National Prescription Opiate Litigation MDL Plaintiffs' Executive Committee, several State Attorneys General, and four major defendants have agreed 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. These settlements, if agreed and adopted, will provide substantial funds to states and subdivisions (including municipalities) for abatement of the opioids epidemic across the country and will impose transformative changes in the way the settling defendants conduct their business.

The three distributors collectively will pay up to $21 billion over 18 years. Johnson & Johnson will pay up to $5 billion over nine years with up to $3.7 billion paid during the first three years. The total funding distributed will be determined by the overall degree of participation by both litigating and non-litigating state and local governments. Michigan stands to receive up to nearly $800 million over the life of the settlements, which is dependent in part on participation of local governments. Spending priority would be placed on treatment and prevention.

Budget/Fiscal Impact: There is no cost to the City. The purpose of this resolution is to enable the City to receive settlement funds.
Prepared by: Michelle Landis, Senior Assistant City Attorney
Reviewed by: Stephen Postema, City Attorney
Approved by: Milton Dohoney Jr., Interim City Administrator

Whereas, The City is an eligible subdivision of the State of Michigan to participate in the Janssen National Opioids Settlement;

Whereas, The Plaintiffs Executive Committee and the Michigan Attorney General are encouraging all municipalities to join in the settlement agreement and many have done so already;

Whereas, The settlement requires that a critical mass of both state and local governments "opt in" and the extent of participation will determine whether the settlement agreements take effect;

Whereas, Opting into the settlement increases the funds received by the local agencies and the State;

Whereas, The deadline for entering the settlement is January 2, 2022, and taking no action prior to that date effectively means the City would opt out of the settlement; and

Whereas, The Michigan Attorney General's office has estimated the City's projected potential settlement award to be $827,290 over 18 years;

RESOLVED, That City Council approve the City's participation in the settlement of the national prescription opiate litigation;

RESOLVED, That the City Administrator be authorized and directed to execute all necessary settlement documents; and

RESOLVED, That the City Administrator and City Attorney be authorized to take all necessary actions to implement this resolution.

Sponsored by: Councilmember Grand