



Legislation Text

File #: 23-0530, **Version:** 1

Resolution to Approve the City's Participation in the Settlements of the National Prescription Opiate Litigation Against Allergan, Teva, CVS, and Walmart

The purpose of this Resolution is to approve the City's participation in the settlements of the national prescription opioid litigation against Allergan, Teva, CVS, and Walmart, and to authorize the City Administrator to execute the settlement documents necessary to participate in the historic settlement.

In 2021, nationwide settlements were reached 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 against manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (collectively, "J&J"). These "2021 National Settlements" have been finalized. The City participated in these settlements and has begun receiving payments.

In late 2022, agreements were announced with three pharmacy chains-CVS, Walgreens, and Walmart-and two additional manufacturers-Allergan and Teva. In January 2023, each of those pharmacy chains and manufacturers confirmed that a sufficient number of states had agreed to the settlements to move forward. Michigan has chosen not to participate in the Walgreens Settlement. As with the 2021 National Settlements, states and local governments that want to participate in the 2022 National Settlements now will have the opportunity to "opt in." The greater the level of subdivision participation, the more funds will ultimately be paid out for abatement.

Under both the 2021 and 2022 National Settlements, at least 85% of the funds going directly to participating states and subdivisions must be used for abatement of the opioid epidemic, with the overwhelming bulk of the proceeds restricted to funding future abatement efforts by state and local governments.

The 2021 and 2022 National Settlements are the culmination of many years of intense negotiations among representatives of the State Attorneys General, the court-appointed Plaintiffs' Executive Committee and Negotiation Committee, which are comprised of lawyers in the National Prescription Opiate MDL who represent subdivisions, and counsel to the Settling Defendants. These negotiations were facilitated by Judge Dan Polster (who oversees the federal MDL litigation), by the Special Masters appointed by the MDL Court, and by experienced, neutral mediators.

Budget/Fiscal Impact: There is no cost to the City. The purpose of this resolution is to enable the City to receive settlement funds.

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Reviewed by: Atleen Kaur, City Attorney

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The City is an eligible subdivision of the State of Michigan to participate in the Allergan, Teva, CVS, and Walmart National Opioid Settlements;

Whereas, The Plaintiffs' Executive Committee and the Michigan Attorney General are encouraging all municipalities to join in the settlement agreements;

Whereas, The settlements require 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 settlements increases the funds received by the local agencies and the State; and

Whereas, The deadline for entering the settlements is April 18, 2023 and taking no action prior to that date effectively means the City would opt out of the settlements;

RESOLVED, That City Council approve the City's participation in the settlements of the national prescription opiate litigation against Allergan, Teva, CVS, and Walmart;

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.