

Allegheny County National Opioid Settlement



Funding Plan FY23-24

Overview

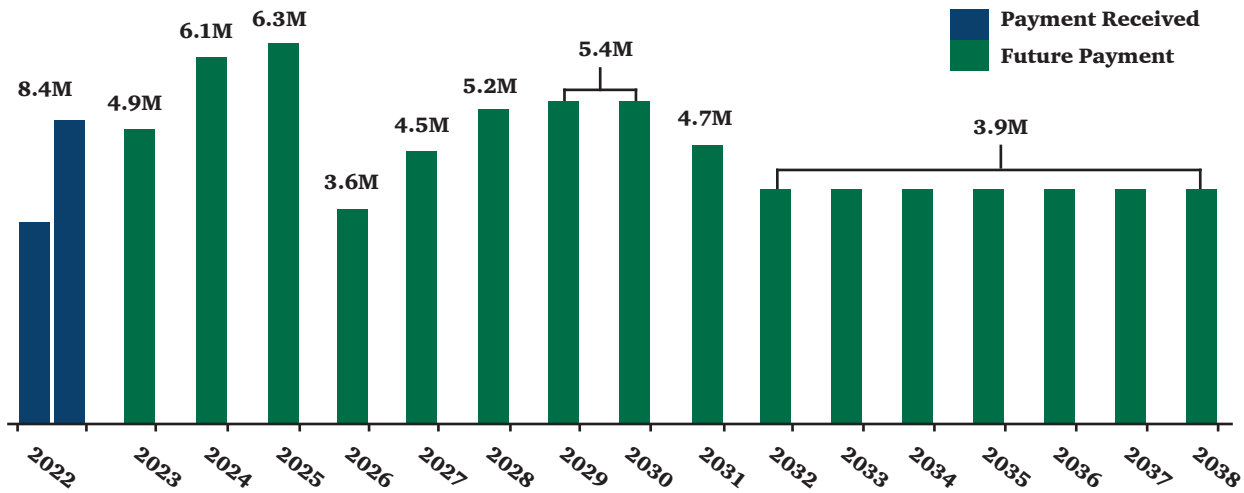
In 2018, Allegheny County was one of the first counties in the state to file suit against drug distributors and manufacturers for their role in the opioid crisis. The same year, the county joined other political subdivisions and states in a class action suit against the three largest drug distributors—McKesson, Cardinal Health and AmerisourceBergen—and pharmaceutical manufacturer Johnson & Johnson. The opioid epidemic has hit Pennsylvanians especially hard. At the time of settlement, there had been an estimated 5,343 accidental deaths due to drug overdose in Pennsylvania in a single year, 683 of which occurred in Allegheny County.

By 2021, a nationwide settlement was reached between the drug companies and thousands of litigating subdivisions. In April 2022, all 67 Commonwealth of Pennsylvania counties signed on to the historic \$1.07 billion settlement. Settlement funds must be spent on opioid remediation, which is defined per the settlement as: “Care, treatment, and other programs and expenditures designed to (1) address the misuse and abuse of opioid products, (2) treat or mitigate opioid use or related disorders, or (3) mitigate other alleged effects of, including on those injured as a result of, the opioid epidemic.” The litigation settlement will yield an estimated \$82 million in total payouts to Allegheny County over an 18-year period.

Fund Schedule

Per the settlement agreement, all funds are distributed through the PA Opioid Misuse and Addiction Abatement Trust. Funds will flow from the Trust to Allegheny County to then be administered and distributed by departments like the Allegheny County Health Department (ACHD), the Department of Children Initiatives (DCI) and the Department of Human Services (DHS). After the first two payments in fall of 2022, a single annual payment will be made every December starting in 2023 through December 2038. Amounts will fluctuate and are anticipated to eventually level out at \$3.9M per payment with counties having 18 months to spend each payment. As additional lawsuits reach settlement, this amount may increase. Final terms of agreement in the settlements with CVS, Walgreens, Walmart, Teva, Allergan and the firms in bankruptcy, which include Purdue, Malinckrodt and Endo, are ongoing.

Allegheny County Opioid Settlement Fund Anticipated Payment Schedule, 2022 through 2038



Approved Uses of Funds

Opioid settlement funds must be used to support treatment of persons with opioid use disorder (OUD) and any co-occurring substance use disorder or mental health (SUD/MH) conditions through evidence-based or evidence-informed programs or strategies that fall into the priorities outlined below. Each priority contains a number of approved uses and example initiatives that are further defined in the Final Distributor Settlement **Exhibit E: List of Opioid Remediation Uses** of the court order establishing the Pennsylvania Opioid Misuse and Addiction Abatement Trust.

Treatment

- Treat opioid use disorder
- Support people in treatment and recovery
- Establish connections to care
- Address the needs of:
 - criminal justice-involved persons
 - pregnant and parenting women

Prevention

- Prevent poor prescribing practices
- Prevent misuse of opioids
- Harm reduction

Other Strategies

- Prepare first responders
- Leadership, planning, and coordination
- Training
- Research

Current Efforts to Combat Opioid Use Disorder

Allegheny County has made significant efforts through coordinated activities and multiple funding streams to address the needs of those impacted by opioid use disorder. Existing funding streams include but are not limited to: Medicaid, PA Department of Drug and Alcohol Programs (DDAP) funding, and CDC grants. The county invests over \$100 million annually toward achieving the long-term goals of increasing access to treatment, preventing fatal overdoses and reducing the harms from opioid use disorder. These goals are addressed through scaling access to and use of medication, reducing barriers to access treatment in high-risk populations, engaging highly impacted communities in co-creating and implementing on-the-ground solutions and educating the region on harm reduction techniques and the risks inherent in drug use.

Treatment and Recovery Support

Allegheny County's core treatment strategies focus on expanding and establishing new services and infrastructure to address immediate treatment and intervention needs of Allegheny County residents and their families impacted by the opioid epidemic. These efforts include:

- Contracting with organizations that conduct community outreach and linking people to treatment and recovery resources
- Expanding access to care through phone support lines, drop-in centers and warm hand-off programs
- Increasing the number of qualified treatment providers
- Providing wrap-around support through recovery housing and case management services
- Expanding access to Medication for Opioid Use Disorder (MOUD)
- Intervening at critical points for criminal justice-involved individuals

Prevention and Harm Reduction

Allegheny County has identified several strategies that aim to reduce the harmful health, social and legal effects of substance use. These strategies include:

- Launching a public education campaign to educate people about the dangers of substance use and the recovery resources available to them, while reducing the negative stigma of addiction
- Distributing Naloxone to first responders and harm-reduction organizations
- Establishing a safe-syringe program
- Monitoring prescriptions for opioids and educating providers on safe prescription practices
- Surveilling the drug supply and quickly responding to communities at high risk of harm
- Distributing mini-grants to historically disenfranchised populations to implement community-based care
- Leveraging epidemiological data to identify geographic areas that require action

Settlement Fund Spending Strategy

Given that funds originating from the settlement are small compared to the county's current opioid spending landscape and that the settlement's extensive, non-exhaustive list of approved uses makes the funds flexible in nature compared to other sources of funding, the county views the settlement funds as an opportunity to:

- Leverage private dollars or combine with public dollars to scale and expand the capacity of pre-existing programs that have already proven successful
- Continue effective programs whose funding streams are ending
- Invest in innovative pilot initiatives to learn what works and transition them to sustainable funding sources as appropriate
- Catalyze policy and practice change in the health and justice systems through upfront investments

Because spending must occur within 18 months of payment receipt, the first two payments are budgeted to support and expand on existing programs and kick-off pilots with key partners who are ready to hit the ground running, whereas future payments will provide greater opportunity for new partnerships and strategic planning through community engagement. Payments 1 and 2 will support the following initiatives:

Treatment and Recovery Support

- Expand low-barrier access to treatment via mobile medication services
- Increase access to care through Telehealth
- Provide quality child care and early learning services for children impacted by caregivers' opioid and substance use disorder

Prevention and Harm Reduction

- Distribute naloxone
- Fund safe-syringe services
- Distribute low-barrier grants to community-based organizations to increase awareness and access to services
- Launch a public education campaign to reduce ingestion events in children

Other Strategies

- Research the effectiveness of incentives for treatment adherence

Community Involvement

Allegheny County has long been committed to collecting and sharing data related to programming and initiative outcomes to ensure the efficient and effective use of public funds. The opioid settlement fund spending is publicly available [here](#) and will be regularly updated to include new initiatives as they are developed. Further, as the county aims to innovate its response to the opioid epidemic, public input will be requested to provide feedback on initiatives and to establish priorities for future spending.