

Opioid Settlements: Allocation of Funds Updated for the January 2023 MMA Annual Business Meeting and Trade Show

As many of you are aware, last year a settlement was reached in the national opioid litigation involving the big three distributors and Johnson & Johnson. This settlement resulted in creation of a national fund of approximately \$26 billion, of which Massachusetts received approximately \$500 million to address costs incurred in addressing the opioid crisis. Pursuant to an allocation agreement reached with the Attorney General, Massachusetts municipalities will receive a total of 40% of the Commonwealth's settlement proceeds. The remaining 60% will be placed in a statewide Opioid Recovery and Remediation Fund to be administered by the Attorney General.

In order to benefit from this settlement and receive the increased allocation of municipal settlement proceeds, each municipality was required to execute and submit to the Attorney General a State Subdivision Agreement. See [here](#). Completed and executed forms were to be submitted to MAOpioidSettlements@mass.gov. Additional information is available on the Attorney General's website [here](#).

More recently, the national consortium of attorneys in this matter has announced five additional proposed national settlements. The new settlement proposals concern CVS, Walgreens, Walmart, Teva, and Allergan and are estimated to provide up to \$20 billion in additional funding. The proposed settlement agreements also require changes in corporate behavior to address the issues raised in the litigation regarding the marketing and sale of opioids. These new proposed settlements will each have an opt-in procedure before they become effective, with different time frames for each individual settlement. Municipalities generally must decide whether to participate in these settlements by the end of March 2023. The consortium attorneys provided municipalities with opt-in documents for all five of the new settlement proposals at the same time, allowing municipalities at a single executive session held for litigation strategy, to decide whether to participate in these settlements. Nevertheless, separate settlement documentation will need to be signed for each settlement. Specific information on these and other settlement matters will be provided directly by the consortium. While the consortium attorneys believe the claims brought in the national litigation are strong, there is always risk, uncertainty, delay, and expense associated with continued litigation. The current settlement proposals provide a meaningful resolution together with the funding from the existing settlements. Continued litigation by municipalities choosing to opt out would involve municipal participation in a potentially extensive discovery process and may be burdensome to municipal resources. The consortium attorneys therefore believe it is in the best interests of municipalities to participate in these newly proposed settlements.

We hope this information is helpful. Please contact [Mark Reich](#) or [Lauren Goldberg](#) with any further questions.

Disclaimer: This information is provided as a service by KP Law, P.C. This information is general in nature and does not, and is not intended to, constitute legal advice. Neither the provision nor receipt of this information creates an attorney-client relationship with KP Law, P.C. Whether to take any action based upon the information contained herein should be determined only after consultation with legal counsel.

THE LEADER IN PUBLIC SECTOR LAW

617.556.0007 | 1.800.548.3522 | www.k-plaw.com | ©2023 KP Law, P.C.