

TO: VERMONT TOWNS, CITIES, AND COUNTIES

RE: **RECENT COMMUNICATIONS FROM OPIOIDS SETTLEMENT ADMINISTRATOR**

ACTION REQUIRED BY 4/18/23

FROM: JILL S. ABRAMS, ASSISTANT ATTORNEY GENERAL

March 23, 2023

I hope the following information helps to address the questions some of you have raised about the communications you have received from the National Opioids Settlement Administrator. If you have specific questions, please feel free to email me at jill.abrams@vermont.gov.

The 5 Settlements with Teva, Allergan, CVS, Walmart, and Walgreens

Vermont, together with other states across the country, has reached settlement agreements with five opioid manufacturers: Teva, Allergan, CVS, Walmart, and Walgreens. As was the case for the previous settlements with Janssen and the Distributors, each state has been allocated a percentage of the settlement funds based on a formula that considers the number of opioid deaths in the state, the number of people in the state with opioid use disorder, the amount of state opioid sales, and population. Vermont's share of each settlement exceeds our percentage of the population. Each of the settlements provide for payments over a period of time and will be divided as follows:

- 15% to Vermont's subdivisions (towns, cities, and counties) ("Subdivision Fund")
- 70 % to the statewide Opioid Abatement Fund ("Abatement Fund")
- 15% to the State

The settlement monies are to be used for opioid crisis abatement.

What Must Towns, Cities, and Counties Do?

Maximizing Vermont's Payments

The settlements are each designed with a "base" amount and "incentive" amounts that are designed to incentivize sign-on (meaning execute and return the settlement papers that were emailed to you by the National Opioids Settlements claims administrator) by states and their subdivisions. The state has already signed on to the settlements. **For Vermont to receive the maximum amount of money from each of the settlements, we need certain sub-divisions to sign on to the settlement by April 18, 2023.**

They are¹:

- the "Litigating Subdivisions" (Brattleboro, Bennington, Sharon, and St. Albans)
- Vermont towns and cities with a population over 10,000 (Burlington, Colchester, Essex, Essex Junction, Milton, Rutland, South Burlington, and Williston); and
- 12 of our 14 counties (not Grand Isle or Essex)

Any other Vermont subdivision with a population under 10,000 that also signs on will receive its allocated share of the 15% Subdivision Fund. If subdivisions with a population under 10,000 do not sign on, their share will go to the 70% abatement Fund.

Subdivisions with populations under 10,000 will be allocated very modest sums as part of the Subdivision bucket. If they sign a release, they will receive those sums directly from the claims administrator each year. There are also options for the money allocated to the 12 Vermont counties

¹ To receive money from either Teva or Allergan, the subdivisions must sign on to both.

given Vermont's unique county governance structure. Those funds may be contributed to the Abatement Fund so long as the assistant judges sign on and execute the form provided for that purpose.

There is a Settlement Administrator that determines the yearly payments, and emails the states, the subdivision, the settling companies, and an Enforcement Committee (comprised of settling states and subdivision members) the payment amount for that year in advance of the payment. States and subdivisions have the right to challenge the Settlement Administrator's calculations. Challenges must be made 21 days in advance of the payment date.

The Settlement Amounts and Payment Schedule

Vermont will receive approximately \$39.5 million from these settlements in annual payments that vary from a single payment by Walmart in 2023 to 14 years by Walgreens. Additional information about the settlements can be found at: nationalopioidsettlement.com.