



# Office of Addiction Services and Supports

KATHY HOCHUL  
Governor

CHINAZO CUNNINGHAM, MD  
Commissioner

## Opioid Settlement Fund Advisory Board

August 3, 2022

# Financial Overview

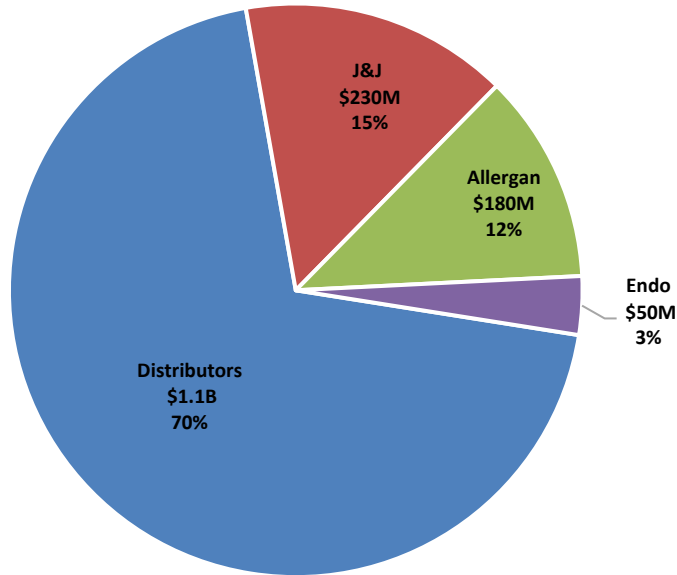
# Opioid Settlements

- Settlement agreements have been reached between the State and each defendant separately, with distinct terms for each agreement.
- Moneys go either directly to recipients or to the State Opioid Settlement Fund (OSF). The Board is responsible for making recommendations on moneys in the OSF.
- Settlement agreements include payment schedules that vary from 1-18 years.
- The following settlement agreements have been reached and are included in the tables:
  - **Allergan** (\$200M) - \$20M reimburses litigation costs. Of the remaining \$180M, 62% of payments go directly to local governments (including litigation costs incurred by Nassau and Suffolk), with 38% going to the OSF.
  - **Johnson & Johnson (J&J)** (\$230M) - 46% of payments go directly to local governments, with 54% going to the OSF.
  - **Endo** (\$50M) - 79% of payments go directly to local governments (including litigation costs), with 21% going to the OSF.
  - **Distributors** (\$1.2B) - \$121M reimburses litigation costs. Of the remaining \$1.1B, 45% of payments go directly to local governments, with 55% going to the OSF.

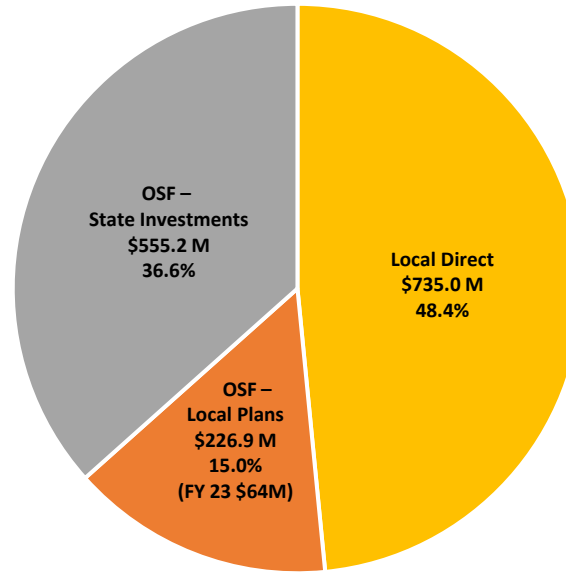


# Local Governments Receive Over 63%

Lifetime Payments by Settlement



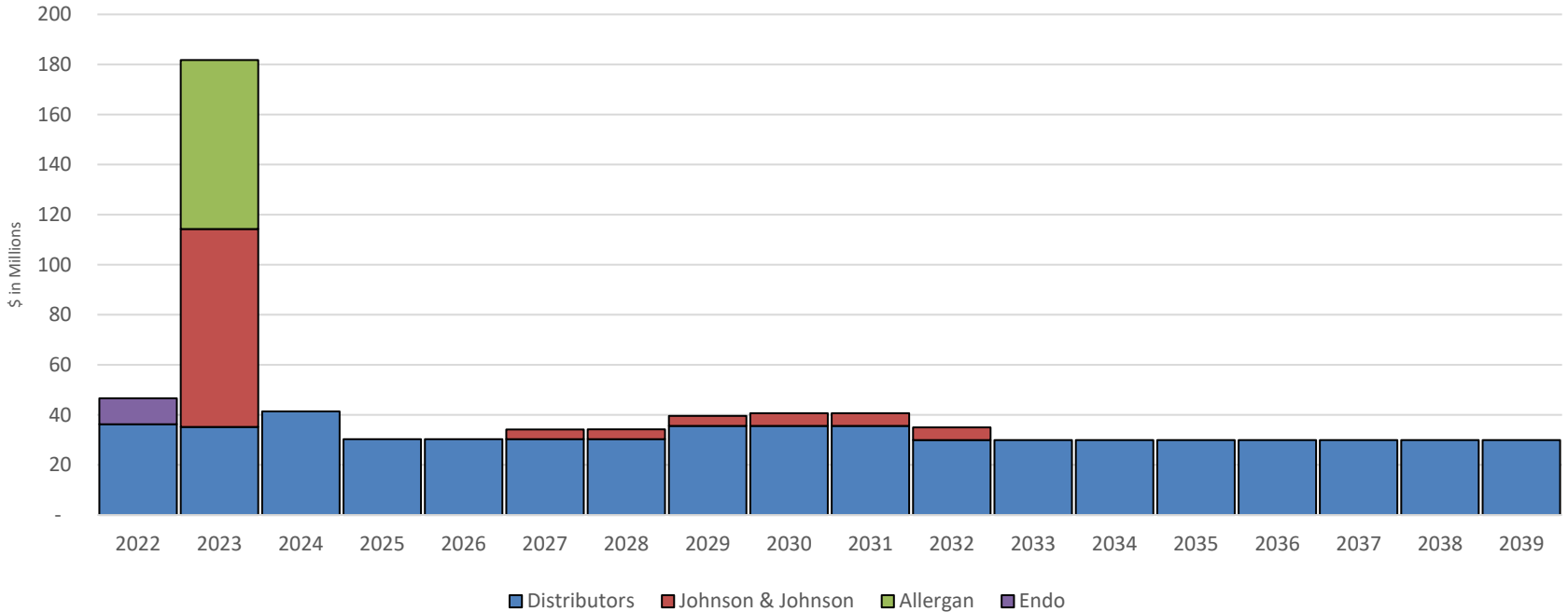
State & Local Shares



- Settlements total \$1.5B from 2022 through 2039.
- Local Governments will receive a combined total of \$961.9M or 63.4%, which includes direct payments and monies from the OSF for local plans.
- The OSF receipts are projected to total \$782.1M or 51.6%, which includes a portion for the local plans and a portion for State investments.



# OSF Will Receive More Than \$782M Over 18 Years



# Opioid Settlements

- The following settlements are not included:
  - **McKinsey** (\$32.1M) - This precedes the creation of the OSF and is excluded statutorily. The funds are going to opioid treatment and have been appropriated to Medication Assisted Treatment (MAT) in State correctional facilities as agreed with the Legislature starting in the FY 2022 Enacted Budget.
  - **Mallinckrodt** (\$41.1- \$58.5M) - This was recently announced by the AG and the total amount will be determined by the payment schedule Mallinckrodt chooses by December 2023. This will be included in tables once more information is known.



# Opioid Settlements

- Glossary of Terms Used in Opioid Settlement Tables
  - LGUs - local government units
  - Abatement - must be used for specified purposes, referred to as “Approved Uses” in the actual settlements or identified in OSF statute
  - Subdivisions - counties
  - Unrestricted - not restricted to a specific purpose; however, statute defines eligible uses for OSF moneys
  - Qualified Settlement Fund (QSF) – a trust account controlled by the third-party administrator.
- Organization of the Opioid Settlement Tables
  1. FY 2023 summary of receipts by source and use
  2. Multi-year detail of receipts by source and use
  3. FY 2023 summary of direct payments to LGUs
  4. Multi-year detail of direct payments to LGUs
  5. Multi-year detail of funds available to LGUs for abatement through the Opioid Settlement Fund.



# Opioid Settlements – Local Payments

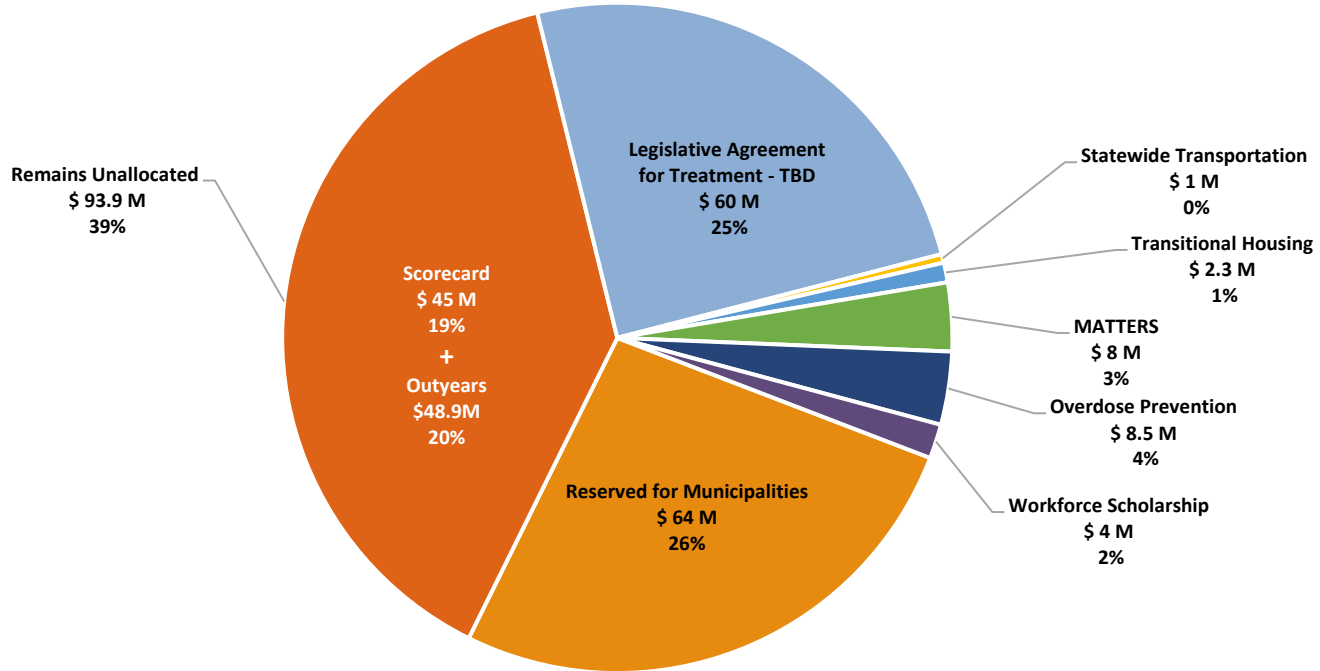
## Opioid Settlement LGU Shares - Amounts Received Through FY 2023 (*\$ in thousands*)

	Distributors Payment 1	Distributors Payment 2	J&J Payment 1	Allergan	Endo	Total
<b>Direct Payments to Local Governments</b>	<b>27,744</b>	<b>20,704</b>	<b>79,031</b>	<b>112,077</b>	<b>39,658</b>	<b>279,214</b>
Direct Payments to LGUs from OAG Escrow Account	27,744	20,704	79,031	57,791	11,958	197,229
Direct Payments to Co-Litigants	-	-	-	54,286	27,700	81,986
<b>Payments to Opioid Settlement Fund</b>	<b>7,169</b>	<b>7,535</b>	<b>28,760</b>	<b>20,542</b>	<b>-</b>	<b>64,006</b>
Available to LGUs for Abatement	7,169	7,535	28,760	20,542	-	64,006
<b>Total</b>	<b>34,913</b>	<b>28,239</b>	<b>107,791</b>	<b>132,619</b>	<b>39,658</b>	<b>343,221</b>





# FY 2023 Opioid Settlement Fund - \$241.7M



# OSF Investments

FY 2023 Opioid Settlement Fund Scorecard (\$ in thousands)			
	FY 2023 Enacted	Change	Updated June 2022
<b>Receipts</b>	<b>208,161</b>	<b>33,556</b>	<b>241,717</b>
Additional Restitution	17,290	0	17,290
State Abatement - Regional	54,906	8,090	62,996
State Abatement - Lead Agency	72,515	9,872	82,387
State Direct - Unrestricted	63,450	8,638	72,088
Cost to State		6,956	6,956
<b>Disbursements</b>	<b>184,544</b>	<b>8,282</b>	<b>192,826</b>
<b>Reserved for Municipalities</b>	<b>55,724</b>	<b>8,282</b>	<b>64,006</b>
Allocated Payments	818	618	1,436
State Abatement - Regional Shares	54,906	7,664	62,570
<b>State Investments</b>	<b>128,820</b>	<b>-</b>	<b>128,820</b>
Expansion of Treatment Services (OASAS)	60,000	-	60,000
Statewide Transportation Initiative (OASAS)	1,000	-	1,000
Transitional Housing Initiative (OASAS)	2,300	-	2,300
MATTERS Program Expansion Initiative (DOH/OASAS)	8,000	\$83,820	8,000
NYS Overdose Prevention Program (DOH)	8,520	-	8,520
MAT in DOCCS Facilities (DOCCS)	-	-	-
Addiction Workforce College Credit Scholarship (OASAS)	4,000	-	4,000
Unallocated - to be allocated after Advisory Board Recommendations are made	45,000	-	45,000

- In the FY 2023 Enacted Budget, funds were appropriated with details in a scorecard that was agreed upon by the Senate, Assembly, and Executive.
- This is a crosswalk between the original scorecard and updated numbers.
- None of these funds have been disbursed.



# What are Treatment Services?

The \$60M for the Expansion of Treatment Services can be used for substance use disorder treatment and early recovery programming, including but not limited to programs aimed at the following:

- Addressing co-occurring disorders;
- Expanding access to medication for addiction treatment;
- Expanding services in correctional settings; and
- Other services across the service delivery spectrum.

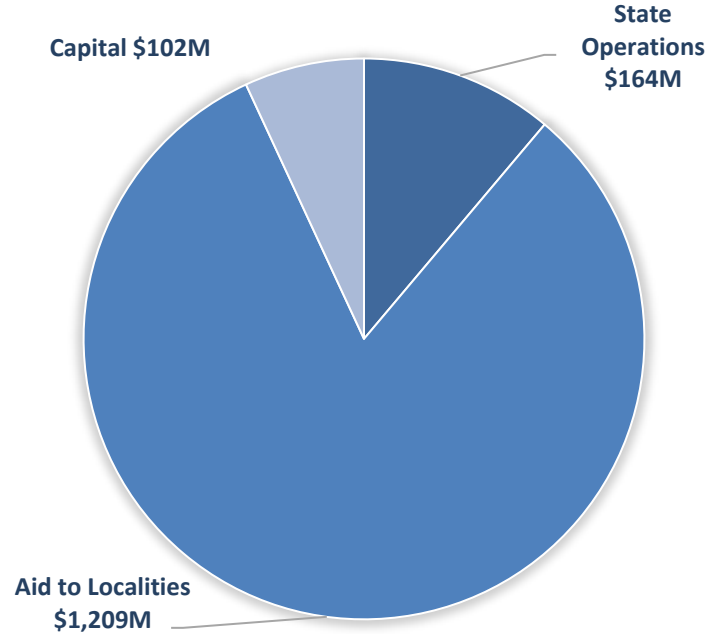


# Potential Opioid Settlement Fund Uses

- Evidence-based prevention education and campaigns, including school-based prevention services;
- Statewide public education campaigns to increase awareness of services and decrease stigma;
- Substance use disorder treatment and early recovery programming, including programs aimed at addressing co-occurring disorders, expanding access to medication for addiction treatment, expanding services in correctional settings and other services across the service delivery spectrum;
- Harm reduction services to address the adverse health consequences associated with substance use;
- Housing services;
- Community-based services that reduce the likelihood of criminal justice involvement;
- Programs geared toward pregnant and parenting persons; and/or
- Vocational and educational training for individual with or at risk of substance use disorder

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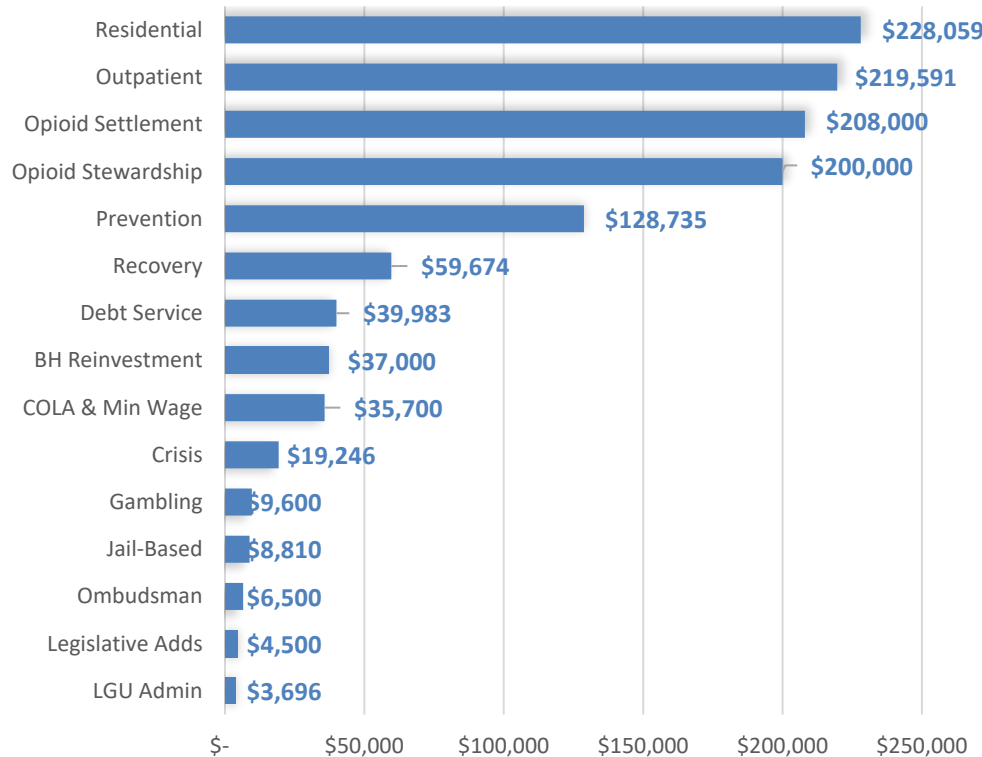
# OASAS 2022-23 Appropriations



**Total: \$1,476 M**



### OASAS ATL APPROPRIATIONS (000'S)



Funds are provided as State Aid to non-profit community and local government providers of Substance Use Disorder (SUD) and problem gambling services, as well as transferred to DASNY for capital bond payments and to DOH for Medicaid-eligible SUD-related services

# SUD Funding-Other State Agencies' Budgets

- Medicaid/Medicaid Managed Care for all SUD services
  - \$1.29 Billion in CY 2021
- DOCCS for MAT in State prisons
  - \$11 Million in FY 2023
  - \$11 Million reappropriation from FY 2022
  - \$11 Million planned to be appropriated in FY 2024



# Opioid Settlement Fund Appropriations

## State Operations - \$100,000

- For administration of programs and activities supported by the opioid settlement funds

## Aid To Localities - \$208 million

- Up to \$900,000 may be available for payments reserved for other litigating entities, pursuant to a plan drafted by the Office of the Attorney General and approved by the Office of Addiction Services and Supports, which are in accordance with the settlement agreements
- At least \$59 million shall be made available for payments reserved for local governments, pursuant to a plan approved by the Office of Addiction Services and Supports, which are in accordance with the settlement agreements.

## Capital - \$10 million

- For the acquisition of property, design, construction, and rehabilitation of facilities for the purpose of expanding access to addiction treatment services associated with implementing the opioid settlement agreements





# Questions