

Opioid Settlement Funds

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Background

- Coalition of states and local subdivision
- Nationwide settlements with pharmaceutical distributors and manufacturers
- TN General Assembly passed legislation in 2021
 - Public Chapter 491
 - Created Opioid Abatement Council (OAC)
 - Created Opioid Abatement Fund
 - Established how settlement funds can be spent

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Settlements

- “Initial” or “Current” Settlement – \$613 million over 18 years
 - AmerisourceBergen
 - Cardinal Health
 - McKesson
 - Janssen Pharmaceuticals
 - Johnson & Johnson
- “Second Wave” Settlements - \$490 over 15 years
 - Allergan
 - Teva
 - CVS
 - Walgreens
 - Walmart

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Settlements

- Food City Settlement
 - Subdivision payout \$6 million
 - 37 counties and city of Knoxville
 - No settlement administrator
 - Received directly from Food City in early 2024
 - Must complete participation form
 - No reporting requirements
 - Abatement Fund \$28,000,000 - \$9,800,000 to counties using same allocation percentages as other settlements

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3 Buckets



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3 Buckets



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Subdivision Fund

- Initial payments disbursed fall 2022
- Received directly from BrownGreer – national settlement administrator (directing administrator)
- County Revenue Code – 48991 Opioid Settlement Funds – Past Remediation; Municipal Revenue Code – 33492 Opioid Settlement Funds
- Allowable Use - opioid remediation
- Reporting – Limited requirements; twice a year in BrownGreer portal (3/31 & 9/30)

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Opioid Remediation

"Opioid remediation" means care, treatment and other programs and expenditures (including reimbursement for past such programs) 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 the opioid abuse crisis, including those injured as a result of the opioid abuse crisis. The allowance for Subdivision Fund payments to be used as "reimbursement" for past remediation expenditures potentially provides flexibility in the use of those funds for subdivisions that have had such past expenditures.

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Abatement Fund

- 35% direct & 65% competitive grants
- Initial payments disbursed late Feb/early March 2023
- Annual disbursement from state via Edison during 1st quarter of each year
- County Revenue Code – 46845 Opioid Settlement Funds – TN Abatement Council
- Allowable Use - **future** remediation expenditures approved by OAC
- Reporting – expenditures by strategy to OAC; twice a year (3/31 & 9/30)

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Resources

- <https://www.tn.gov/oac/our-work.html>
 - Grant application information
 - County payment information/amounts/3-year projections
 - Local government guidance document (how to calculate projected payments p.10 & 14)
 - Reporting guidance
 - Approved abatement and remediation uses list
 - Questions – opioid.abatement@tn.gov
- <https://smart.ips.tennessee.edu/>
 - Plans, program implementation, grant writing, education

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