



Legislation Details (With Text)

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Title: Authorize the Manager to Execute the Wave Two Settlement Agreement Related to the National Opioid Litigation.

Sponsors:

Indexes:

Code sections:

Attachments: 1. February 14, 2023 Letter from Attorney General Josh Stein, 2. A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE THE SUPPLEMENTAL AGREEMENT FOR ADDITIONAL FUNDS BETWEEN THE STATE OF NORTH CAROLINA AND LOCAL GOVERNMENTS ON PROCEEDS RELATING TO THE SETTLEMENT OF OPIOID LITIGATION (2023-03-22/R-4)

Date	Ver.	Action By	Action	Result
3/22/2023	1	Town Council	adopted	Pass

Authorize the Manager to Execute the Wave Two Settlement Agreement Related to the National Opioid Litigation.

Staff:

Christopher C. Blue, Interim Town Manager
Ann Anderson, Town Attorney

Department:

Town Manager’s Office
Town Attorney’s Office

Overview: The State of North Carolina continues to participate in the fight to address the opioid epidemic. Recently a \$21 billion Wave Two Settlement was negotiated with CVS Health Corporation, CVS Pharmacy, Inc., Walgreens Co., Walmart, Inc., Allergan Finance, LLC, Allergan Limited, and Teva Pharmaceuticals Industries, Ltd. North Carolina state and local governments could receive more than \$600 million from this settlement.

☆ **Recommendation(s):**

That the Council adopt the resolution authorizing the Town Manager to execute a Wave Two Settlement Agreement.

Background

- In [2021 <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=5142479&GUID=9391FC49-F0A1-4BD7-BC61-5AC548CDFD8E&Options=Advanced&Search=&FullText=1>](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=5142479&GUID=9391FC49-F0A1-4BD7-BC61-5AC548CDFD8E&Options=Advanced&Search=&FullText=1) the Council approved a Memorandum of Agreement between Orange County and the State of North Carolina regarding the disbursement of settlement funds related to the National Opioid Litigation.
- 100% of local governments participated in the Wave One Settlement that resulted in the state receiving more than \$750 million.
- North Carolina could receive more than \$600 million from Wave Two.
- \$6.8 million was appropriated to Orange County for opioid remediation activities for Wave One, and the total Wave Two amount could be \$5.4 million. Funds will be paid incrementally over 18 years.

- To date, the County has received approximately \$880,000 from the Wave One allocation. An Opioid Advisory Committee has been appointed to make recommendations on how to spend the funds. The Town has a representative from the Police Department on the Advisory Committee.

Key Issues

- To receive its share, the Settlement requires all North Carolina local governments of over 30,000 to sign on to the settlement agreement.
- The deadline to sign onto the Wave Two Settlement is April 18, 2023.

Fiscal Impact/Resources: Though the Town is not receiving direct payments from the Settlement, Orange County could receive funds for opioid remediation activities that could benefit Chapel Hill residents.

Attachments:

- Resolution
- February 14, 2023 Letter from Attorney General Josh Stein

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE THE SUPPLEMENTAL AGREEMENT FOR ADDITIONAL FUNDS BETWEEN THE STATE OF NORTH CAROLINA AND LOCAL GOVERNMENTS ON PROCEEDS RELATING TO THE SETTLEMENT OF OPIOID LITIGATION (2023-03-22/R-4)

WHEREAS, the opioid overdose epidemic had taken the lives of more than 32,000 North Carolinians (2000-2021); and

WHEREAS, the COVID-19 pandemic has compounded the opioid overdose crisis, increasing levels of drug misuse, addiction, and overdose death; and

WHEREAS, the Centers for Disease Control and Prevention estimates the total economic burden of prescription opioid misuse alone in the United States is \$78.5 billion a year, including the costs of healthcare, lost productivity, addiction treatment, and criminal justice involvement; and

WHEREAS, certain counties and municipalities in North Carolina joined with thousands of local governments across the country to file lawsuits against opioid manufacturers, pharmaceutical distribution companies, and chain drug stores to hold those companies accountable for their misconduct; and

WHEREAS, settlements have been reached in litigation against Walmart, Inc., Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., and Walgreen Co., as well as their subsidiaries, affiliates, officers, and directors named in the Settlements; and

WHEREAS, representatives of local North Carolina governments and the North Carolina Department of Justice have negotiated and prepared a Supplemental Agreement for Additional Funds (SAAF) to provide for the equitable distribution of the proceeds of these settlements; and

WHEREAS, by joining the settlements and approving the SAAF, the state and local governments maximize North Carolina's share of opioid settlement funds to ensure the needed resources reach communities, as quickly, effectively, and directly as possible; and

WHEREAS, it is advantageous to all North Carolinians for local governments, including the Town of Chapel Hill and its residents, to sign onto the settlements and SAAF and demonstrate solidarity in response to the opioid overdose crisis, and to maximize the share of opioid settlement funds flowing to North Carolina to help abate the harm; and

WHEREAS, in [2021 <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=5142479&GUID=9391FC49-F0A1-4BD7-BC61-5AC548CDFD8E&Options=Advanced&Search=&FullText=1>](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=5142479&GUID=9391FC49-F0A1-4BD7-BC61-5AC548CDFD8E&Options=Advanced&Search=&FullText=1), the Council approved a

Memorandum of Agreement between Orange County and the State of North Carolina regarding the disbursement of settlement funds related to the National Opioid Litigation.

WHEREAS, the SAAF directs substantial resources over multiple years to local governments on the front lines of the opioid overdose epidemic while ensuring that these resources are used in an effective way to address the crisis.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council authorizes the Town Manager to execute all documents necessary to enter into opioid settlement agreements with, Walmart, Inc., Teva Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited, CVS Health Corporation, CVS Pharmacy, Inc., and Walgreen Co. to execute the SAAF, and to provide such documents to Rubris, the Implementation Administrator.

This the 22nd day of March, 2023.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By adopting the resolution, the Council authorizes the Town Manager to execute a Wave Two Settlement Agreement regarding funding related to the national opioid litigation.