



Update on the Opioid Abatement Authority

**HOUSE APPROPRIATIONS
COMMITTEE MEETING**

NOVEMBER 14, 2023



Agenda

- Update on OAA Activities
- Background and Legal Foundation
- Overview of OAA Structure/Breakout of Funds
- Update on Status of Settlement Payments and Budget
- Review of Funds Distributed from 1st Application Cycle



Update on OAA Activities

In its first year, the OAA Board and Staff has...

Concluded two city/county and state agency grant application periods, awarding \$34 million in settlement funds

Conducted seven listening sessions at various locations throughout the state

Hosted 14 “Abatement Academy” Webinars with over 1,700 registered attendees

Opened a new city/county grant application period from October 1 to April 1

Conducted two all day, in-person workshops

Presented at numerous conferences and association meetings around the state

Held dozens of informational webinars for state and local officials



Legal Foundation for the Distribution of Funds

- Settlement Agreements approved by the courts
- Settlement Allocation Memorandum of Understanding
- *Code of Virginia* and in particular *Title 2.2, Chapter 22, Article 12*

Should a difference exist between these guiding documents the Settlement Agreement / Court Order(s) generally will control



OAA Board of Directors

Current Board Composition

- Senator Todd Pillion (Chair)
- Dr. Sarah Thomason (Vice Chair)
- Tim Spencer – Roanoke City (Secretary)
- Jim Holland (Treasurer)
- HHR Secretary John Littel
- Delegate Jason Ballard
- Dr. James Thompson – Master Center
- Sharon Buckman – Piedmont CSB
- Daryl Washington – Fairfax CSB
- Sheriff Joe Baron – Norfolk City
- Mike Tillem – Journey House

Board structure pursuant to § 2.2-2367, Code of Virginia

- Consists of 11 members, nine of whom are appointed by the Governor (incl. Secretary of HHR)
- Chairs of both House Appropriations and Senate Finance and Appropriations Committees, or their designees;
- Secretary of Health and Human Resources (ex-officio); and
- Eight local officials and various substance use subject matter experts (gubernatorial appointees):
 - Elected member of a local governing body
 - One representative of a CSB serving an urban or suburban region
 - One sheriff of a participating locality
 - One licensed, practicing county or city attorney from a participating locality
 - Two medical professionals with expertise in public/behavioral health and opioid use disorders and their treatment
 - One representative of the addiction and recovery community



Opioid Litigation Involving States & Subdivisions

In late 2017 a federal judicial panel consolidated all Federal opioid related litigation into single multi-district litigation (MDL).



Judge Dan Aaron Polster

“the biggest and most complicated civil case in U.S. history . . . “
- Washington Post



Carl B. Stokes United States Court House
Cleveland, Ohio



National Opioid Settlements and Bankruptcies

Finalized Settlements

Distributors

MCKESSON

 AmerisourceBergen®

J&J

Janssen 

 CardinalHealth™

Pending Settlements

Walmart 
Save money. Live better.

Kroger


CVS
pharmacy®

 **teva**

 **Allergan.**

Bankruptcies

PURDUE 

 Mallinckrodt

 endo.

Virginia's Projected Total = \$1,100,000,000

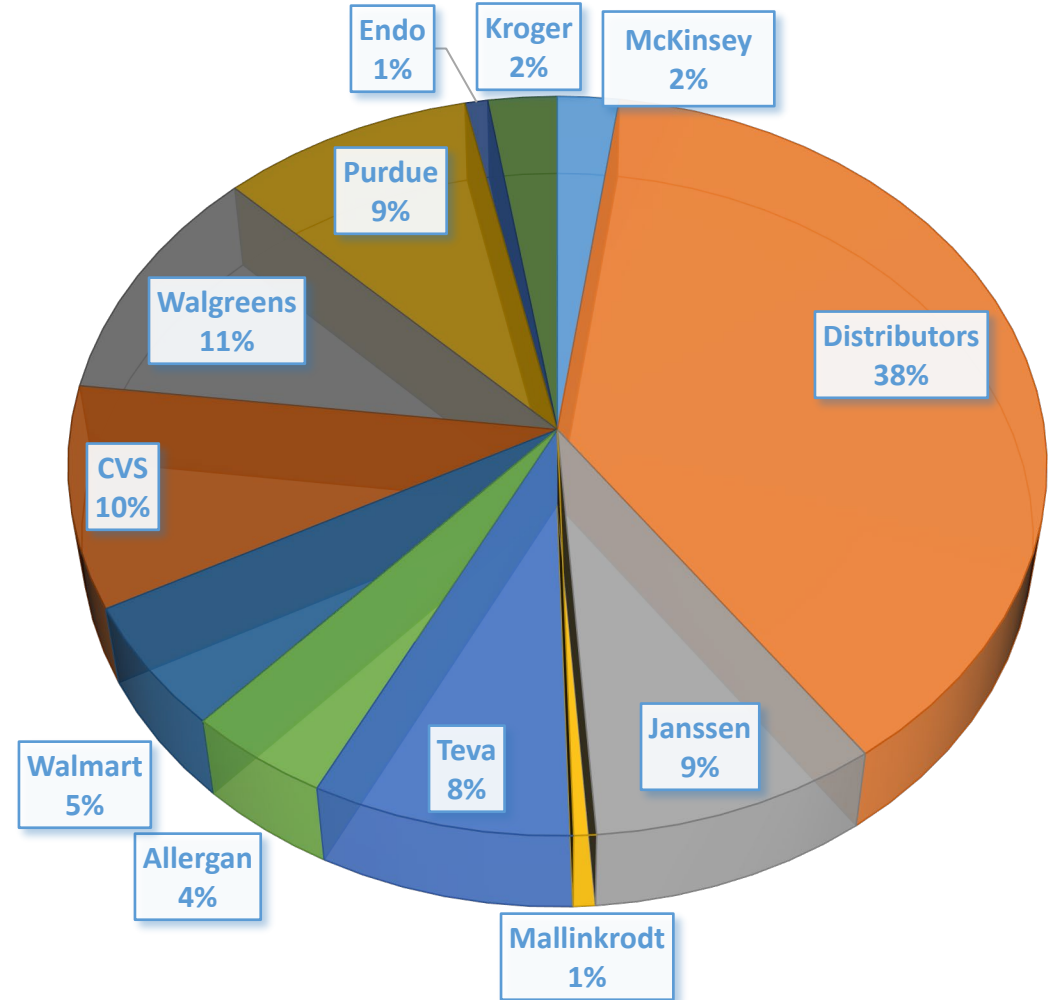
(of which, 55% is directed to the OAA and deposited to the Opioid Abatement Fund)



Update on Estimated Settlement Payments and Budget

- Estimated total settlement payments to the OAA through FY 2042: \$613.9 million.
- Total payments received to date: \$85.1 million.

Pmt Duration	Status	Company	
4 years	Finalized	McKinsey	\$13.7
18 years	Finalized	Distributors	\$232.7
10 years	Finalized	Janssen	\$53.5
2 years	Finalized	Mallinkrodt	\$4.2
13 years	Pending	Teva	\$48.6
7 years	Pending	Allergan	\$26.7
1 year	Pending	Walmart	\$33.6
10 years	Pending	CVS	\$59.4
15 years	Pending	Walgreens	\$64.6
18 years	Announced	Purdue	\$56.5
10 years	Announced	Endo	\$5.1
11 years	Announced	Kroger	\$15.4
Total			\$613.9

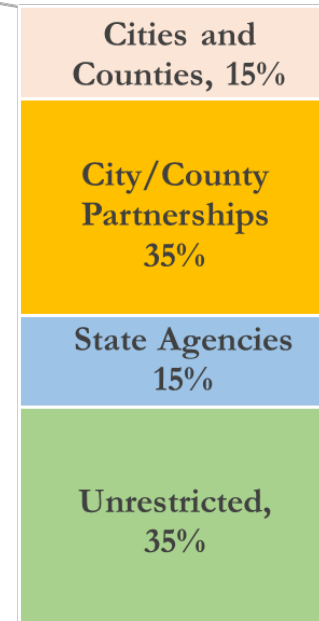
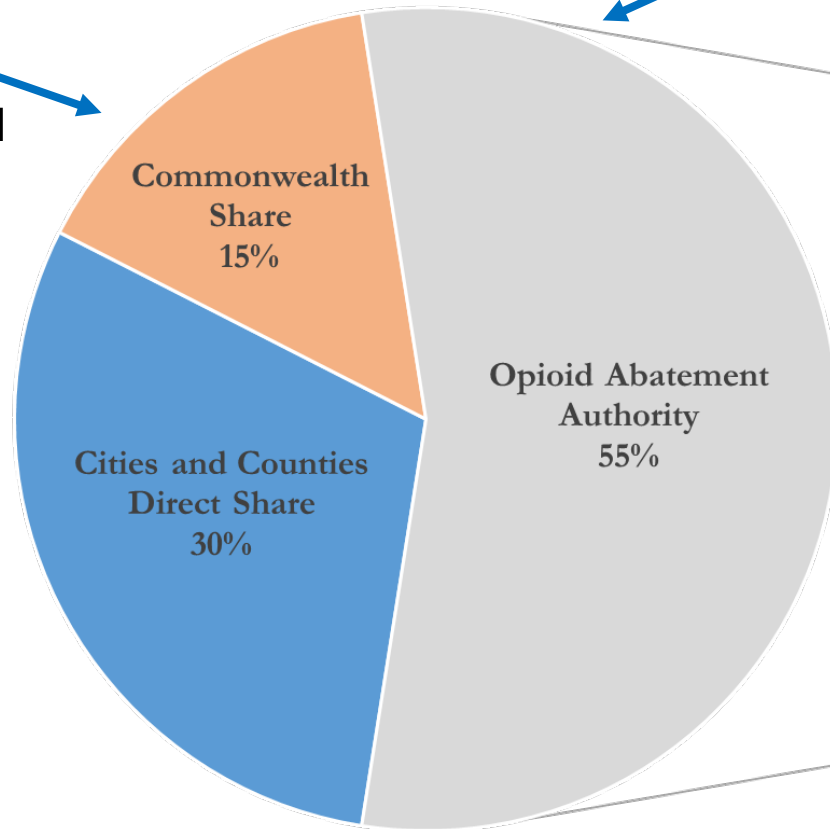




Virginia's Settlement Distribution Agreement

Refers to the distributions deposited to the Commonwealth Opioid Abatement and Remediation (COAR) Fund (§ 2.2-2377)

Refers to distributions deposited to the Opioid Abatement Fund (§ 2.2-2374)



OAA distribution percentages pursuant to § 2.2-2374 and MOU between state and participating subdivisions

Refers to the distributions from the settlement administrator sent directly to cities and counties



Update on Estimated Settlement Payments and Budget (cont'd)

\$74.8m initial fund balance accommodates multi-year discretionary project awards that exceed estimated annual payment amounts.

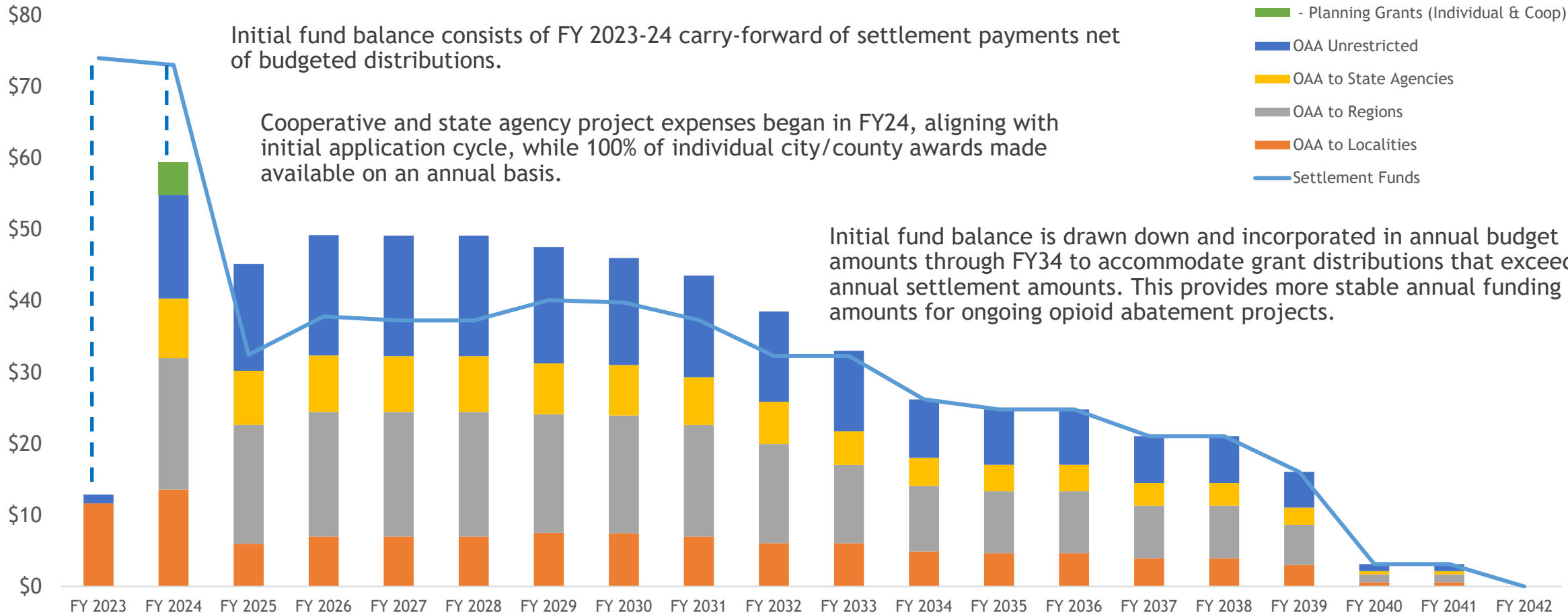
Initial fund balance consists of FY 2023-24 carry-forward of settlement payments net of budgeted distributions.

Cooperative and state agency project expenses began in FY24, aligning with initial application cycle, while 100% of individual city/county awards made available on an annual basis.

Initial fund balance is drawn down and incorporated in annual budget amounts through FY34 to accommodate grant distributions that exceed annual settlement amounts. This provides more stable annual funding amounts for ongoing opioid abatement projects.

- - Planning Grants (Individual & Coop)
- OAA Unrestricted
- OAA to State Agencies
- OAA to Regions
- OAA to Localities
- Settlement Funds

\$ in millions





Nationally Negotiated Settlement Agreements Specify How the Funds May be Used

Each settlement is slightly different from the others.

- At least 85% of funds must be used for these approved “abatement” uses. In many cases that number is 100%.
- Varying rules about future versus past spending, supplanting.
- Enforcement and reporting is not always clear.
- Disputes will be resolved in civil court.
- Virginia and her 133 cities and counties share the risk under any such litigation

However, they all reference **“Exhibit E,”** which is a list of approved uses.



Virginia's Requirements on the use of OAA Funds Exceed the Requirements of the National Settlement Agreements

- 100% of the OAA's disbursements to cities, counties and state agencies *must be* spent on abatement efforts.
- There is no reimbursement of previous costs or supplanting allowed.
- No indirect charges allowed.
- Recipients must report outcomes to OAA on an annual basis and allow OAA to monitor the programs.



Examples of efforts that are likely to qualify as “abatement.”

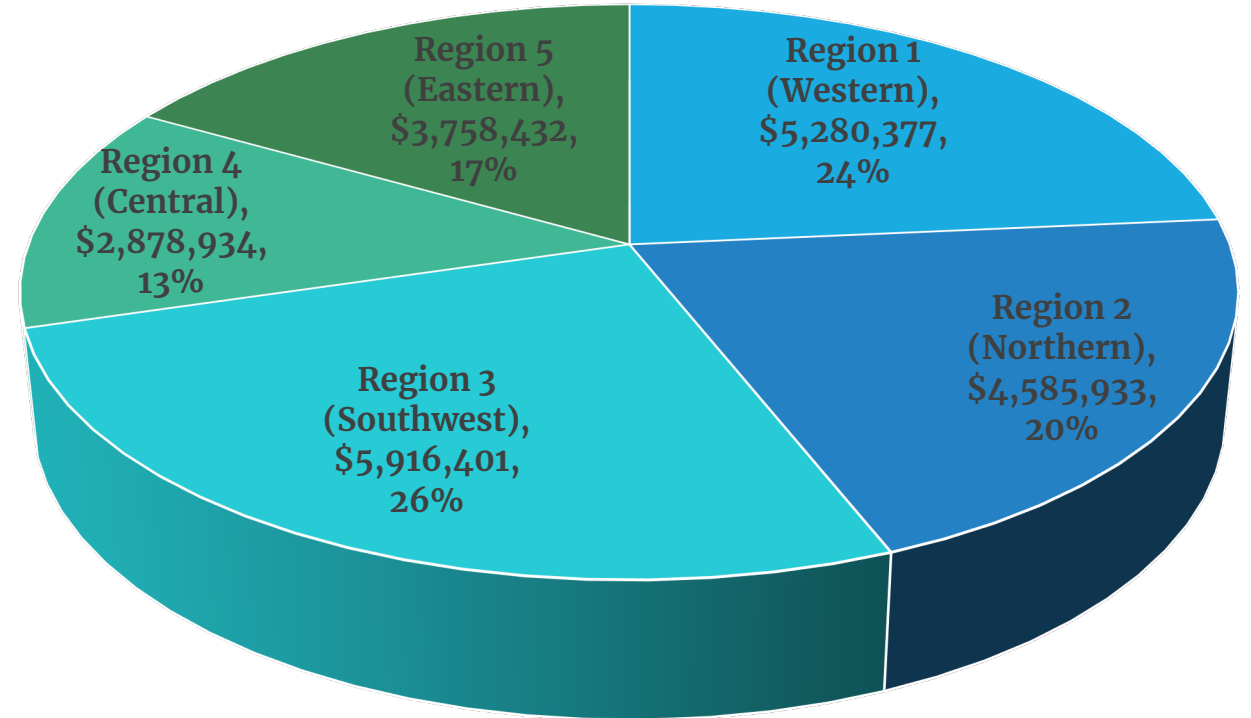
- Prevention programs including within schools
- Detox services that include opioid-related detoxification
- Naloxone purchase, training, and distribution
- Treatment services including medication for opioid use disorders (MOUD)
- Programs to divert people from jail to treatment, including drug courts.
- Recovery housing, linkages to transportation, job training, employment.
- Behavioral health crisis programs if there is a clear connection to serving people with opioid use disorders as a central component of the program.



1st Round of OAA Grants to Cities and Counties (FY24) – Statewide

\$23 Million to 76 cities/counties

- 13 Individual city/county awards
- 26 Cooperative Partnership awards
- Payments are made up front, not on a reimbursement-basis
- Many of the approved projects are eligible for renewal - for up to a total of five years

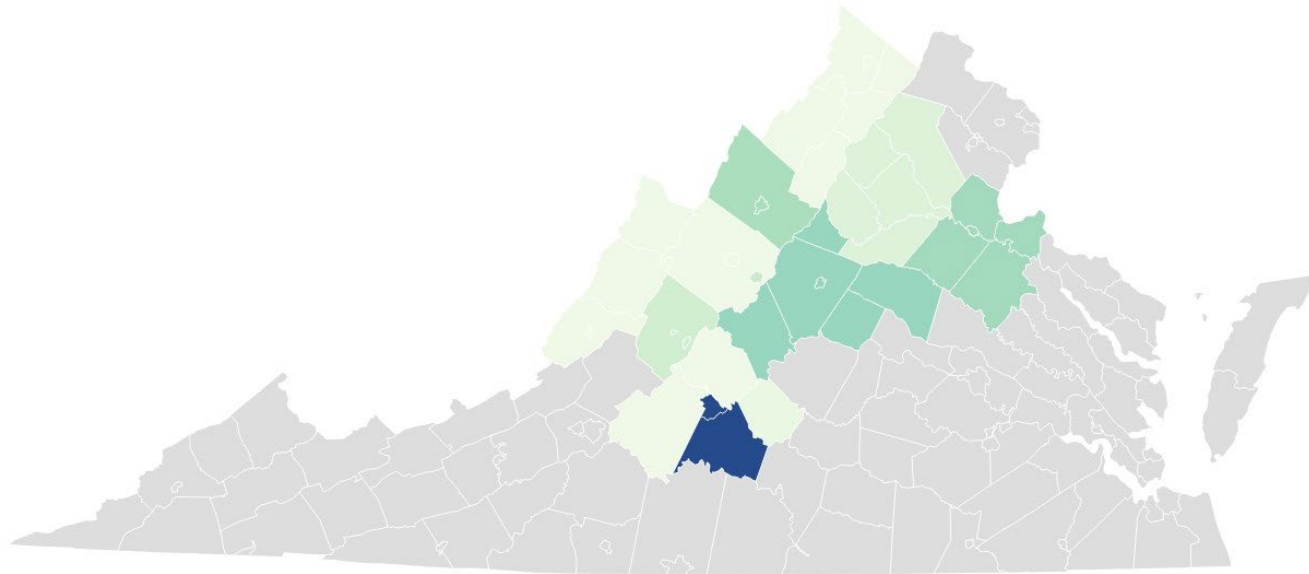


	OAA Award	Direct Dist.	Total Region	% of Total	MOU %
Region 1 (Western)	\$5,280,377	\$203,850	\$5,484,227	22.6%	19.1%
Region 2 (Northern)	\$4,585,933	\$177,445	\$4,763,378	19.6%	18.3%
Region 3 (Southwest)	\$5,916,401	\$873,430	\$6,789,831	28.0%	23.9%
Region 4 (Central)	\$2,878,934	\$14,267	\$2,893,201	11.9%	17.3%
Region 5 (Eastern)	\$3,758,432	\$586,563	\$4,344,995	17.9%	21.4%
Total	\$22,420,077	\$1,855,555	\$24,275,632	100%	100%



Grant Awards to Region 1 (Western)

CSB Region 1 (Western)



Region 1 (Western)	OAA Award	Direct Distribution	Total
Albemarle County	1,283,474	-	1,283,474
Appomattox County	18,091	-	18,091
Buena Vista City	219,313	23,251	242,564
Caroline County	17,290	-	17,290
Culpeper County	253,382	-	253,382
Fredericksburg City	37,050	-	37,050
Harrisonburg City	58,896	-	58,896
King George County	22,230	-	22,230
Lexington City	10,829	-	10,829
Louisa County	61,075	109,189	170,264
Lynchburg City	1,946,372	-	1,946,372
Rockingham County	269,000	58,896	327,896
Spotsylvania County	91,390	-	91,390
Stafford County	891,985	7,514	899,499
Waynesboro City	100,000	5,000	105,000
Total	5,280,377	203,850	5,484,227

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Examples of Grant Awards – Region 1 (Western)

Stafford County (\$124,755) - Individual Distribution

- First Watch Data analytics program to enable countywide strategic response to overdoses

Louisa County (\$61,075) - Individual Distribution

- Dedicated substance use disorder clinician to allow additional patient services.

Appomattox County (\$18,091) - Individual Distribution

- Initiate a medication lock box program including the purchase of the boxes and educational materials, and providing for free to community members



Examples of Grant Awards – Region 1 (Western) cont'd

Albemarle, Nelson, Louisa, Greene, Fluvanna, and Charlottesville (\$1,283,394) - Two Cooperative Projects

- Expand the Crisis Intervention Team Assessment Center (CITAC) and expand crisis response
- Expand the Blue Ridge Center Community Response and add community drop-in services

Lynchburg, Campbell (\$1,946,372) - Cooperative Project

- Partnering to fund a Crisis Receiving Center

Stafford, Caroline, King George, Spotsylvania, Fredericksburg (\$942,704) - Cooperative Project

- Implement mobile delivery of medication for opioid use disorders and expand detox services for women at Sunshine Lady House



Example of Cooperative Project Award – Region 1 (Western)

Recovery Home Model
(Localities partnering with a community foundation)

Buena Vista City, Lexington City, and Rockbridge County

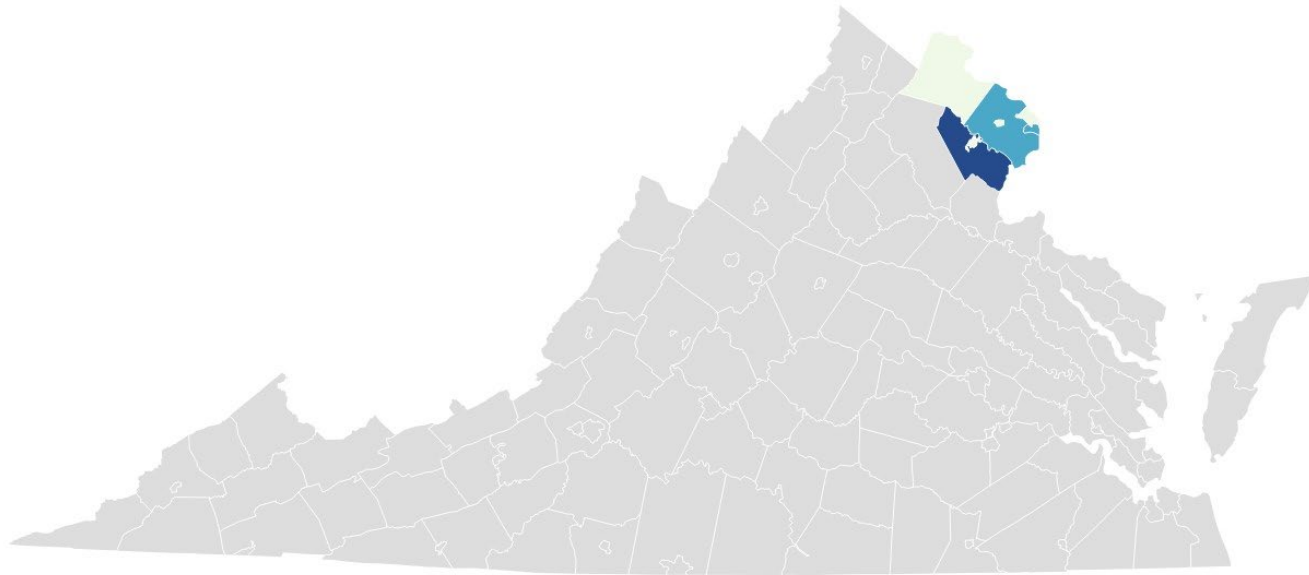
\$210,231 in addition to a 42% match on the total project cost





Grant Awards to Region 2 (Northern)

CSB Region 2 (Northern)



<u>Region 2 (Northern)</u>	<u>OAA Award</u>	<u>Direct Distribution</u>	<u>Total</u>
Alexandria City	-	12,000	12,000
Arlington County	187,440	165,445	352,885
Fairfax County	3,598,493	-	3,598,493
Manassas Park City	-	-	-
Prince William County	800,000	-	800,000
Total	4,585,933	177,445	4,763,378

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Examples of Grant Awards – Region 2 (Northern)

Arlington County (\$172,885) - Individual Distribution

- Expanding Office Based Opioid Treatment (OBOT) program to double the number of people served including adolescent patients

Fairfax County, Arlington, Prince William, Loudoun, Alexandria (\$3,613,048) - Cooperative Project

- Partnering to create new residential treatment program for adolescents

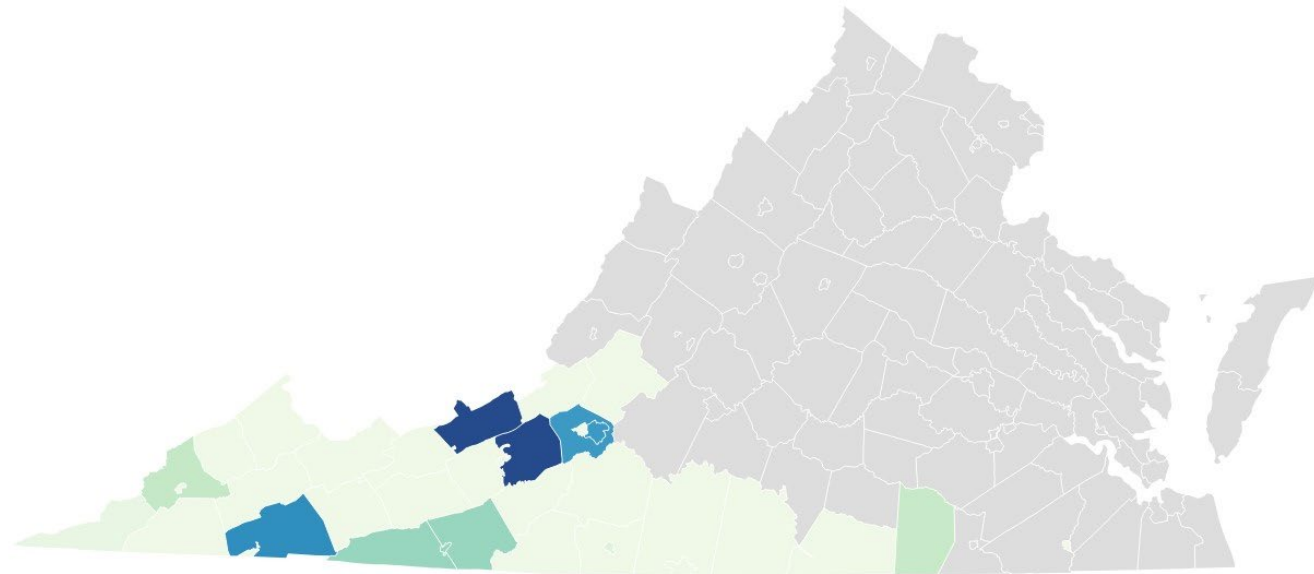
Prince William County (\$800,000) - Cooperative Project

- Expanding an existing Office Based Opioid Treatment (OBOT) program to double the number of participants



Grant Awards to Region 3 (Southwest)

CSB Region 3 (Southwest)



Region 3 (Southwest)	OAA Award	Direct Distribution	Total
Brunswick County	57,670	20,000	77,670
Floyd County	24,756	46,449	71,205
Galax City	18,908	23,112	42,020
Giles County	55,633	104,388	160,021
Grayson County	260,199	-	260,199
Lee County	13,542	-	13,542
Martinsville City	20,000	10,000	30,000
Montgomery County	2,341,258	307,531	2,648,789
Norton City	2,679	-	2,679
Pulaski County	144,320	270,780	415,100
Radford City	33,598	63,037	96,635
Roanoke City	752,867	28,133	781,000
Scott County	10,254	-	10,254
Smyth County	1,000,000	-	1,000,000
Washington County	860,970	-	860,970
Wise County	319,747	-	319,747
Total	5,916,401	873,430	6,789,831

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Examples of Grant Awards – Region 3 (Southwest)

Roanoke City (\$252,867) - Individual Distribution

- Funding Adverse Childhood Experience (ACEs) training; peer recovery specialist for Sheriff’s Office and Adult Detention Center; xylazine test strips and spectrometer for prevention and harm reduction efforts; marketing campaign for the “warm line;” naloxone training for Fire and EMS

Montgomery, Giles, Floyd, Pulaski, Radford (\$2,648,789) - Cooperative Project

- Funds the “New River Valley Ecosystem of Recovery,” with expansion of in-patient treatment, MOUD medications, transportation enhancements, recovery court clinicians and expansion of recovery court program, expansion of law enforcement critical engagement integrating education, mobile treatment and harm reduction, trauma-informed care, ACEs prevention programming, and other prevention/education, engagement and outreach, and assessment of supportive housing and adolescent in-patient family treatment models

Smyth, Bland, Carroll, Grayson, Wythe, Galax (\$1,000,000) - Cooperative Project

- Expands Office Based Opioid Treatment (OBOT) services and medication for opioid use disorders, and assists in providing region-wide transitional recovery housing

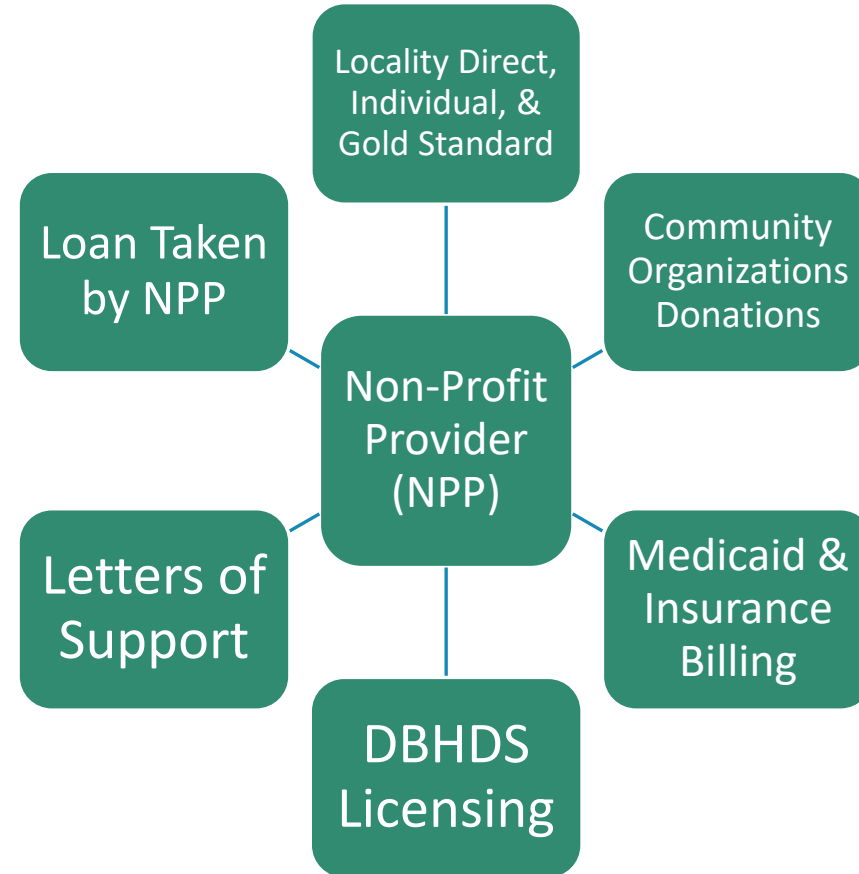


Example of Cooperative Project Awards – Region 3 (Southwest)

Women’s Treatment & Recovery Facility Model
(Localities partnering with Non-Profit Service Provider)

Washington County and Bristol City

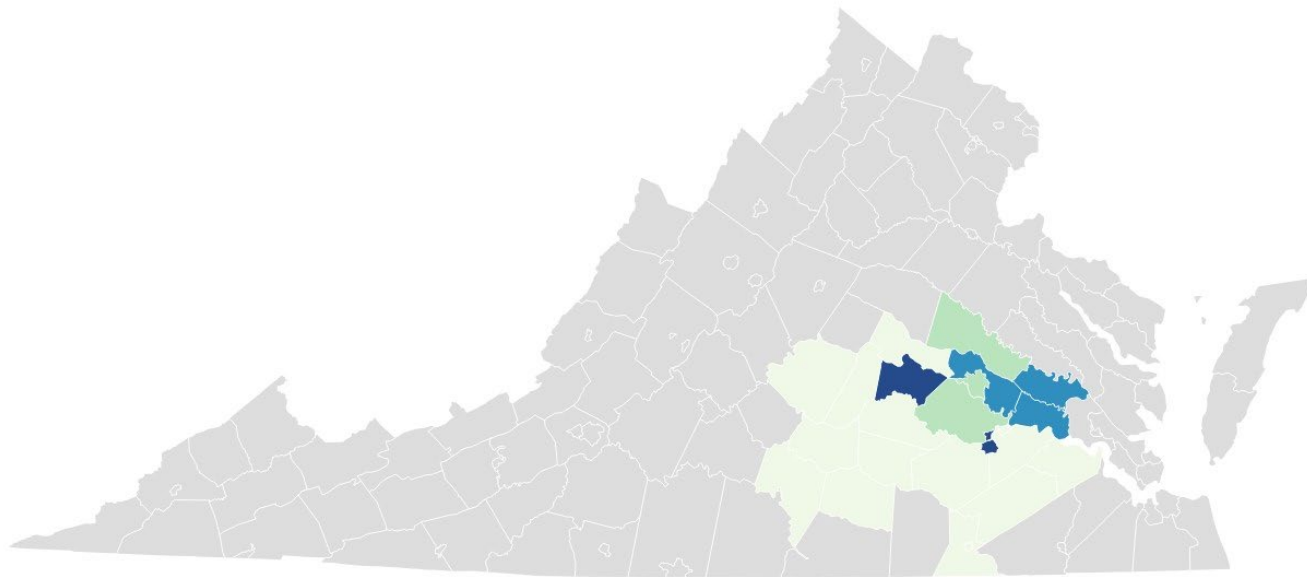
\$745,000 in addition to a 50.3% match on the total project cost





Grant Awards to Region 4 (Central)

CSB Region 4 (Central)



Region 4 (Central)	OAA Award	Direct Distribution	Total
Chesterfield County	1,671,316	9,195	1,680,511
Colonial Heights City	30,400	-	30,400
Hanover County	202,473	-	202,473
Henrico County	863,011	-	863,011
Petersburg City	28,582	-	28,582
Powhatan County	73,510	5,072	78,582
Richmond City	9,642	-	9,642
Total	2,878,934	14,267	2,893,201

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Examples of Grant Awards – Region 4 (Central)

Henrico County (\$70,200) - Individual Distribution

- Expansion of Office Based Opioid Treatment (OBOT) program to increase the number of people served

Chesterfield, Powhatan, Colonial Heights, Petersburg (\$1,666,411) - Cooperative Project

- Expand mobile outreach services for harm reduction, treatment and support

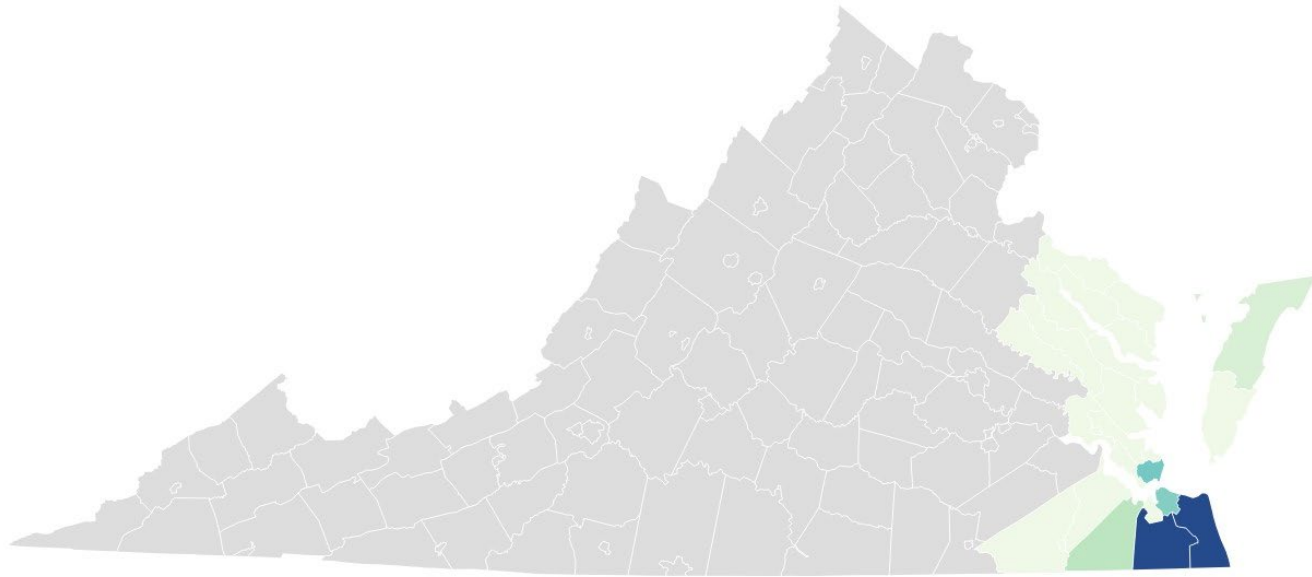
Hanover, Chesterfield, Richmond City (\$214,257) - Cooperative Project

- Expand “Project Recover” to add Hanover, expand capacity in Chesterfield and Richmond. Project Recover embeds certified peers with first responders to connect people who overdose to resources. It is a partnership between the U.S. Attorney’s Office, the “Imagine the Freedom” Foundation, and several localities in Central Virginia



Grant Awards to Region 5 (Eastern)

CSB Region 5 (Eastern)



<u>Region 5 (Eastern)</u>	<u>OAA Award</u>	<u>Direct Distribution</u>	<u>Total</u>
Accomack County	15,862	85,941	101,803
Chesapeake City	3,000,000	-	3,000,000
Hampton City	60,226	445,546	505,772
Norfolk City	452,040	-	452,040
Suffolk City	180,304	45,076	225,380
Virginia Beach City	50,000	10,000	60,000
Total	3,758,432	586,563	4,344,995

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Examples of Grant Awards – Region 5 (Eastern)

Accomack County(\$30,734) - Individual Distribution

- Partnering with local community services board to provide outpatient behavioral health services including case management, care coordination, and access to medication for opioid use disorder. Will be available for all Accomack County residents including Tangier Island, where the County will provide an air transportation option.

Hampton City (\$60,226) - Individual Distribution

- Partnering with local community services board for a peer-led recovery drop-in center and a jail-based medication for opioid use disorder services.

Chesapeake, Virginia Beach (\$3,000,000) - Cooperative Project

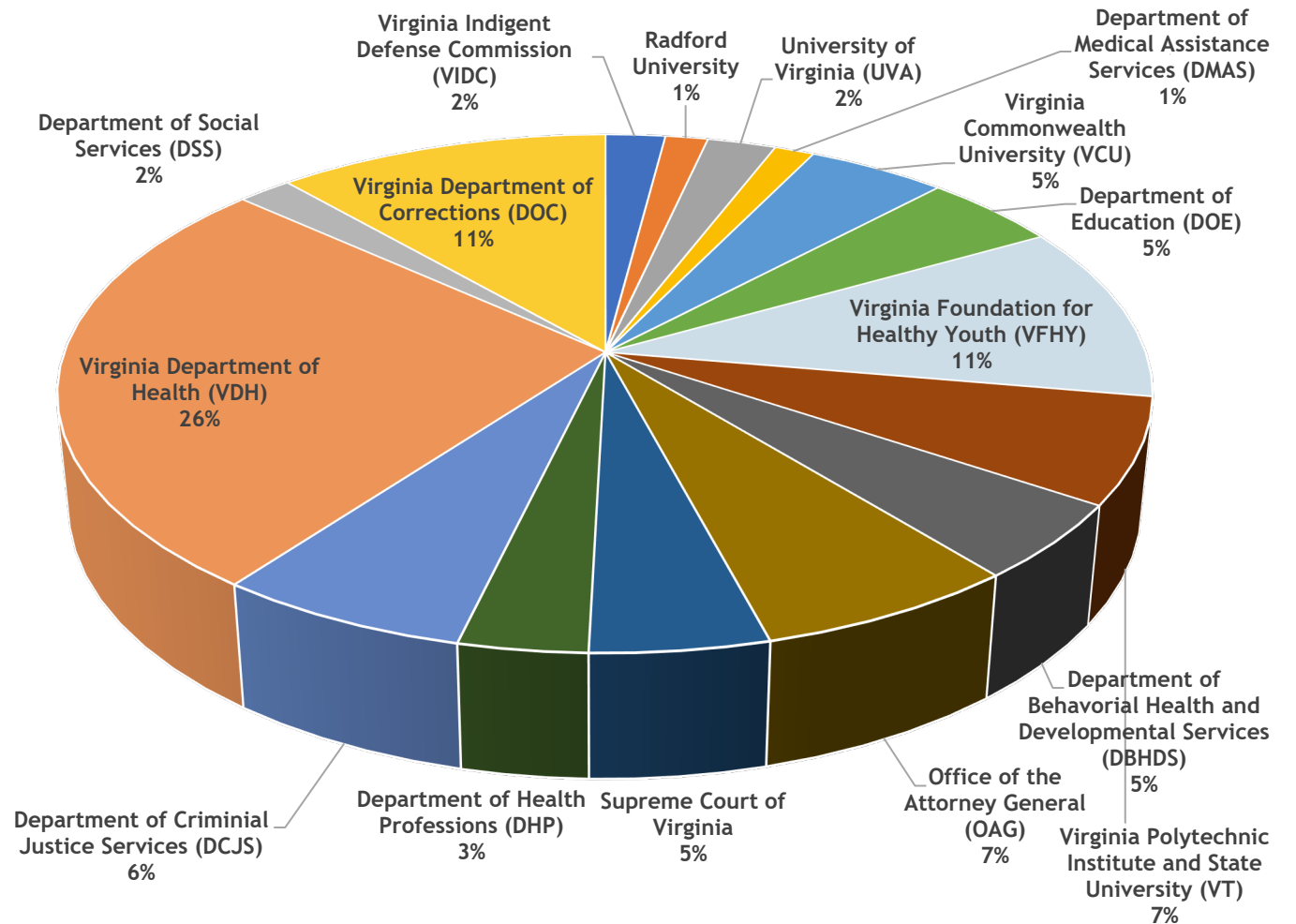
- Partnership to construct a new 20 bed in-patient psychiatric unit in partnership with Chesapeake Regional Healthcare



OAA Awards to State Agencies

- \$11 million in funds awarded
- 16 state agencies
- 31 total projects

Area/Secretariat	Name of Agency	Funds Awarded
HHR	Virginia Department of Health (VDH)	\$2,903,843
Public Safety	Virginia Department of Corrections (DOC)	\$1,254,152
Independent	Virginia Foundation for Healthy Youth (VFHY)	\$1,200,000
Executive	Office of the Attorney General (OAG)	\$740,000
Education	Virginia Polytechnic Institute and State University (VT)	\$724,856
Public Safety	Department of Criminal Justice Services (DCJS)	\$710,000
Education	Virginia Commonwealth University (VCU)	\$525,711
HHR	Department of Behavioral Health and Developmental Services (DBHDS)	\$522,289
Education	Department of Education (DOE)	\$520,250
Judicial Branch	Supreme Court of Virginia	\$500,000
HHR	Department of Health Professions (DHP)	\$361,219
Education	University of Virginia (UVA)	\$258,171
Independent	Virginia Indigent Defense Commission (VIDC)	\$224,745
HHR	Department of Social Services (DSS)	\$205,500
Education	Radford University	\$160,277
HHR	Department of Medical Assistance Services (DMAS)	\$150,000
	Total	\$10,961,013





Examples of State Agency Projects

Virginia Department of Health (Four projects: \$2,903,843)

- Expansion of state's naloxone distribution system
- Intranasal naloxone doses
- State certified harm reduction program sites
- Opioid use abatement specialist positions

Department of Corrections (Three projects: \$1,254,152)

- Contract clinical social workers specializing in opioid use disorder
- Pilot project to evaluate efficacy of long-acting injectable opioid agonists
- Substance use disorder education/prevention video for inmates

Virginia Foundation for Healthy Youth (One project: \$1,200,000)

- Launch prevention and education campaign for youth and young adults



Examples of State Agency Projects (cont'd)

Office of the Executive Secretary of the Supreme Court (One project: \$500,000)

- Develop statewide best practices for alternative docket drug testing and local financial assistance for drug testing

Office of the Attorney General (One project: \$745,000)

- Launch opioid/fentanyl public information campaign

Virginia Commonwealth University (Two projects: \$525,711)

- Create technical resource “toolkit” for cities and counties
- Research and develop protocols for pain management in palliative care settings



Virginia Receiving National Recognition

- The OAA received the “Award for Excellence in the Application of the Opioid Litigation Principles” for the 3rd Quarter of 2023.
- Given to state or local governments that exemplify Principles for the Use of Funds from Opioid Litigation, which is a set of recommendations developed by faculty at the Johns Hopkins Bloomberg School of Public Health and a coalition of organizations across the substance use field.

Principles Coalition Announces Quarter 3 Award Winner

October 19, 2023

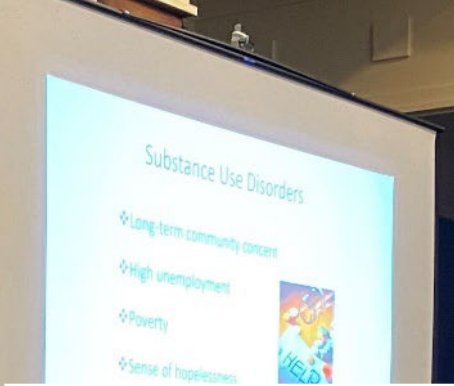
The Principles coalition is excited to announce the recipient of the Award for Excellence in the Application of the Opioid Litigation Principles for the 3rd Quarter of 2023: the Commonwealth of Virginia and the Virginia Opioid Abatement Authority. These quarterly awards are based on a set of evidence-based guidelines developed by faculty at the Johns Hopkins Bloomberg School of Public Health, known as the Principles. The award is designated by a committee [use opioid settlement funds effectively and equitably](#).

The Excellence Awards were launched in the first quarter of 2023. Previous winners include [Rock County, WI](#), [states of Colorado, Rhode Island, and North Carolina](#).

More than 670,000 people in the U.S. fatally overdosed from prescription and illicit opioids between 1999 and 2021. As the crisis deepened, states and localities filed lawsuits against drug manufacturers, pharmaceutical distributors, and pharmacies for their role in these deaths and other harms. Funds from litigation settlements are directing billions of dollars to states and localities to combat the opioid overdose crisis.

To guide states and localities in spending the money from these settlements, faculty at the Johns Hopkins Bloomberg School of Public Health worked with collaborators across the country to create the [Principles for the Use of Funds from the Opioid Litigation](#). Announced in January 2021, the Principles have been endorsed by more than 60 organizations across the U.S.







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