



Legislation Text

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TITLE

APPROVE MEMORANDUM OF AGREEMENT WITH NORTH CAROLINA ON PROCEEDS RELATED TO SETTLEMENT OF OPIOID LITIGATION

SPONSOR

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BACKGROUND

Opioid misuse and addiction has been a long-standing and devastating problem in Guilford County, in North Carolina, and throughout the US. It has taken the lives of at least 436 of our citizens between 2017 through 2020; it has torn apart countless families with the devastating impact of misuse and addiction; it has required the expenditure of millions of dollars of Guilford County resources and required countless hours of time and resources from the men and women who are on the front-line of trying to address this problem: our first responders, law enforcement, counselors, and health providers. This crisis shows little signs of slowing down and continues to be a destructive epidemic impacting all of Guilford County.

Guilford County determined that the manufacturers, distributors and other corporations supplying (and over-supplying) opioids to our citizens were legally liable for an egregious contribution to the opioid crisis we find ourselves in. In light of that determination, Guilford County filed a lawsuit in 2019 against a number of corporations which Guilford County believed shared in the responsibility for this crisis. See *Guilford County v. AmerisourceBergen Drug Company, et al.* 19 CV 00468 (2019, MDNC). In doing so, Guilford County joined hundreds of local governments throughout North Carolina and the nation in similar lawsuits, as well as a great many State actions, including North Carolina. Partly as a result of these lawsuits and subsequent discussions, it appears that a national settlement may be reached which will bring significant resources to Guilford County to help in its fight to remediate and reduce this crisis. No national settlement has been reached as of the writing of this agenda item; however, it appears that such settlement may be close to conclusion and it is important to have a plan for handling the net proceeds from the settlement in place at/or before the time of agreement. Any national settlement will require the net proceeds to be used for opioid remediation. The national settlement structure provides for significant funds to be apportioned to the various states and distributed to each state government and its governmental subdivisions in accordance with a State-wide distribution plan. If a State and its local governments cannot agree to a

distribution plan it is likely to be distributed by a court-imposed plan. Fortunately, North Carolina representatives from the North Carolina Department of Justice (DOJ) and the NCACC have negotiated what staff feels to be the best distribution plan that could be achieved for North Carolina counties and municipalities, including Guilford County. Staff strongly recommends that the Board of Commissioners adopt the attached Resolution approving the negotiated MOA (see attached).

It is estimated that the national settlement could generate funds for distribution to North Carolina totaling as much as \$750 million over a period of 18 years. (This total could be even higher if a settlement in the Purdue bankruptcy matter is included.) Under the current draft terms of the national settlement and the proposed MOA, Guilford County's share of the \$750 million could be as much as \$25 million over 18 years. (Note: the cities of Greensboro and High Point receive additional funds under the proposed MOA.) It is important to note that the amount of the settlement is greatly dependent on it receiving broad acceptance; i.e., the more local governments that approve and adopt the MOA and the national settlement the higher the net proceeds disbursed through the settlement.

BUDGET IMPACT

NO ADDITIONAL COUNTY FUNDS REQUIRED

REQUESTED ACTION

Adopt the attached Resolution approving the Memorandum of Agreement (MOA) between the State of North Carolina and various local governments, including Guilford County, relating to the settlement of the national opioid litigation, and authorize and direct staff to take such measures as are required to implement the terms of the MOA and receive the settlement funds, including that any additional documents needing signatures as a result of allocation of opioid settlement funds coming to North Carolina local governments may be authorized and executed by Guilford County Manager and Attorney, without requiring additional Board approval.