Opioid Settlement Funds: Distribution of Dollars

This chart is to be used as visuals of the planned flow of settlement dollars across Kentucky. The Kentucky Opioid Abatement Advisory Commission (OAAC) was created for the purpose of distributing Kentucky’s portion of Opioid Settlement Funds. Visit the OAAC’s website to apply/submit requests for reimbursement and funding.

$842 Million* KY Lawsuit Settlement Funds

*Settlement amount as of Jan. 2024. For updated amount, please see The Official Opioid Settlement Tracker tally.

50%
Opioid Abatement Trust Fund overseen by Opioid Abatement Advisory Commission

The Commission oversees the opioid abatement trust fund and reimburses expenses or funds projects related to opioid use disorder (OUD) or co-occurring substance use disorder or mental health (SUD/MH) issues.

50%
Counties, cities, consolidated local governments, and urban county governments

Pursuant to an agreement among counties, cities, consolidated local governments, and urban county governments that incorporates the criteria of Section 1(5) (see below). If unable to agree, the money is paid to a trustee appointed jointly by the KY League of Cities and the KY Association of Counties for eventual distribution using the criteria.

Projects are welcomed to apply annually

Service providers and organizations are eligible for reimbursement of prior expenses or funding projects.

To be awarded money, expenses and projects must follow criteria related to opioid use disorder (OUD) or any co-occurring substance use disorder or mental health (SUD/MH) issues.

See back of this page for full criteria.

Funding recipients must submit a report/certification stating that the funds were used consistent with criteria, a description of the use of such funds, and any additional information the commission requests.

Access Bloom’s Opioid Settlement Toolkit at BloomKentucky.org
Opioid Settlement - Background

THE FACTS

- $26 billion over 18 years agreement with Cardinal, McKesson, and AmerisourceBergen (nation's three major pharmaceutical distributors) and Johnson & Johnson which manufactured and marketed opioids
- $22.7 billion for opioid abatement
- Settlement resolved more than 4,000 claims of state and local governments across the country
- Second-largest multistate agreement
- Settlement agreement is available for opioid abatement (ending, reduction, or lessening of something)

KENTUCKY’S SHARE OF SETTLEMENTS (842 MILLION TOTAL)*

- $478 million share from Cardinal, McKesson, and AmerisourceBergen
- $53 million from Walmart
- $114 million with Teva and Allegan
- $197 with CVS Pharmacy, Inc. and Walgreens
- Distributed pursuant to House Bill 427 of 2021
  - 50% of all proceeds to local governments
  - Commonwealth received the other 50% - managed by the KY Opioid Abatement Advisory Commission
- Injunctive Relief (a remedy which restrains a party from doing certain acts or requires a party to act in a certain way)
  - Both agreements contain provisions that government the marketing, sale, and distribution of opioids - Additional safeguards - establishment of independent monitor - establish and fund an independent clearinghouse

To access full breakdown of funds, see the Attorney’s General website.

THE OPIOID SETTLEMENT AND THE IMPACT FOR KENTUCKY KIDS – ADDRESSING THE ROOTS OF ADDICTION

- Opioid Settlement Funds: Distribution of Dollars
- ACEs and Opioid epidemic are interconnected
- Research demonstrates a clear link between childhood trauma and problematic or disordered opioid use
- 1 in 5 Kentucky children have already experienced at least two ACEs.
- Opioid Settlement Planning Toolkit
- John Hopkins 5 Principles to ensure that opioid settlement dollars are used most effectively:
  1. Spend the Money to Save Lives
  2. Use evidence to guide spending
  3. Invest in youth prevention
  4. Focus on racial equity
  5. Develop a fair and transparent process for deciding where to spend the funding

*Settlement amount as of Jan. 2024. For updated amount, please see The Official Opioid Settlement Tracker tally.
Opioid Settlement Funds: Distribution of Dollars

**CRITERIA FOR REIMBURSEMENT FOR PRIOR EXPENSES OR FUNDING FOR PROJECTS**

- Any portion of the cost related to outpatient or residential treatment services, including services provided to incarcerated individuals, medication assisted treatment, abstinence-based treatment, and treatment, recovery, or other services provided by community health centers or not-for-profit providers.
- Emergency response services provided by law enforcement or first responders.
- Any portion of the cost of administering naloxone.

**FUNDING FOR ANY PROJECT WHICH:**

**PREVENTION**
- Creates or supports centralized call centers that provide information and connections to appropriate services.
- Provides scholarships and support for certified addiction counselors and other mental and behavioral health providers including training scholarships, fellowships, loan repayment programs, incentives for providers to work in rural or underserved areas of KY.
- Engages nonprofits, the faith community, and community coalitions to support prevention and treatment, and to support family members in their efforts to care for opioid users in their family.
- Provides trainings on medication-assisted treatment for health care providers, students, or other supporting professionals.
- Any other project deemed appropriate for opioid-abatement purposes by the Commission.

**TREATMENT/RECOVERY**
- Supports intervention, treatment, and recovery services provided to persons with OUD or co-occurring SUD/MH issues or who have experienced an opioid overdose.
- Supports detoxification services including medical detoxification, referral to treatment, or connections to other services.
- Provides access to opioid-abatement-related housing including supportive housing or recovery housing.
- Provides or supports transportation to treatment or recovery programs or services.
- Provides employment training or educational services for persons in treatment or recovery.
- Supports crisis stabilization centers that serve as an alternative to hospital emergency departments for persons with OUD and any occurring SUD/MH issues or persons that have experienced an opioid overdose.
- Support the education of law enforcement or other first responders regarding appropriate practices and precautions when dealing with opioids or individuals with OUD or co-occurring SUD/MH issues.
- Supports opioid-related emergency response services provided by law enforcement or first responders.
- Treats mental health trauma issues resulting from the traumatic experiences of opioid users or their family members.
- Provides recovery services, support, and prevention services for women who are pregnant, may become pregnant, or who are parenting with OUD or co-occurring SUD/MH issues.
- Trains healthcare providers that work with pregnant or parenting women on best practices for compliances with federal requirements that children born with Neonatal Abstinence Syndrome get referred to appropriate services and receive a plan of care.
- Addresses Neonatal Abstinence Syndrome, including prevention, education, and treatment of OUD and any co-occurring SUD/MH issues.
- Provides drug take-back disposal or destruction programs.
- Covers the cost of administering naloxone.
- Supports pretrial services that connect individuals with OUD and any co-occurring SUD/MH issues to evidence-informed treatment and related services.
- Provides evidence-informed treatment, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH issues who are incarcerated, leaving jail or prison, have recently left jail or prison, are on probation or parole, are under community corrections supervision, or are in reentry programs or facilities.

**REFORM/COMPLIANCE**
- Improves oversight of opioid treatment programs to ensure evidence-based and evidence-informed practices.
- Supports efforts to prevent over-prescribing and ensures appropriate prescribing and dispensing of opioids.
- Supports enhancements or improvement consistent with state law for prescription drug monitoring programs.
- Offers home-based wrap-around services to persons with OUD and any co-occurring SUD/MH issues, including parent-skills training.
- Supports positions and services including supportive housing other residential services relating to children being removed from the home or placed in foster care due to custodial opioid use.
- Provides public education about opioids or opioid disposal.
- Meets the criteria included in any settlement agreement or judgement between the parties listed in subsection (3)(a) of Section 2 of this Act.