



# Opioid Settlement Funds & Virginia Opioid Abatement Authority

*REVIEW OF RECENT OAA GRANT AWARDS*

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*AND **SNEAK PEAK** FOR THE NEXT GRANT PROCESS*

PRESENTED AT THE VIRGINIA ASSOCIATION OF COMMUNITY SERVICE BOARDS

OCTOBER 4, 2023

# National Opioid Settlements and Bankruptcies

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Virginia expected total =

**\$1,100,000,000**





# 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**



**Carl B. Stokes United States Court House  
Cleveland, Ohio**

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



# The First National Settlement Agreements Paid to Cities and Counties in Virginia

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The “Distributors”



**CardinalHealth™**

**MCKESSON**



AmerisourceBergen®

Johnson and Johnson (Janssen Pharmaceuticals)

janssen 



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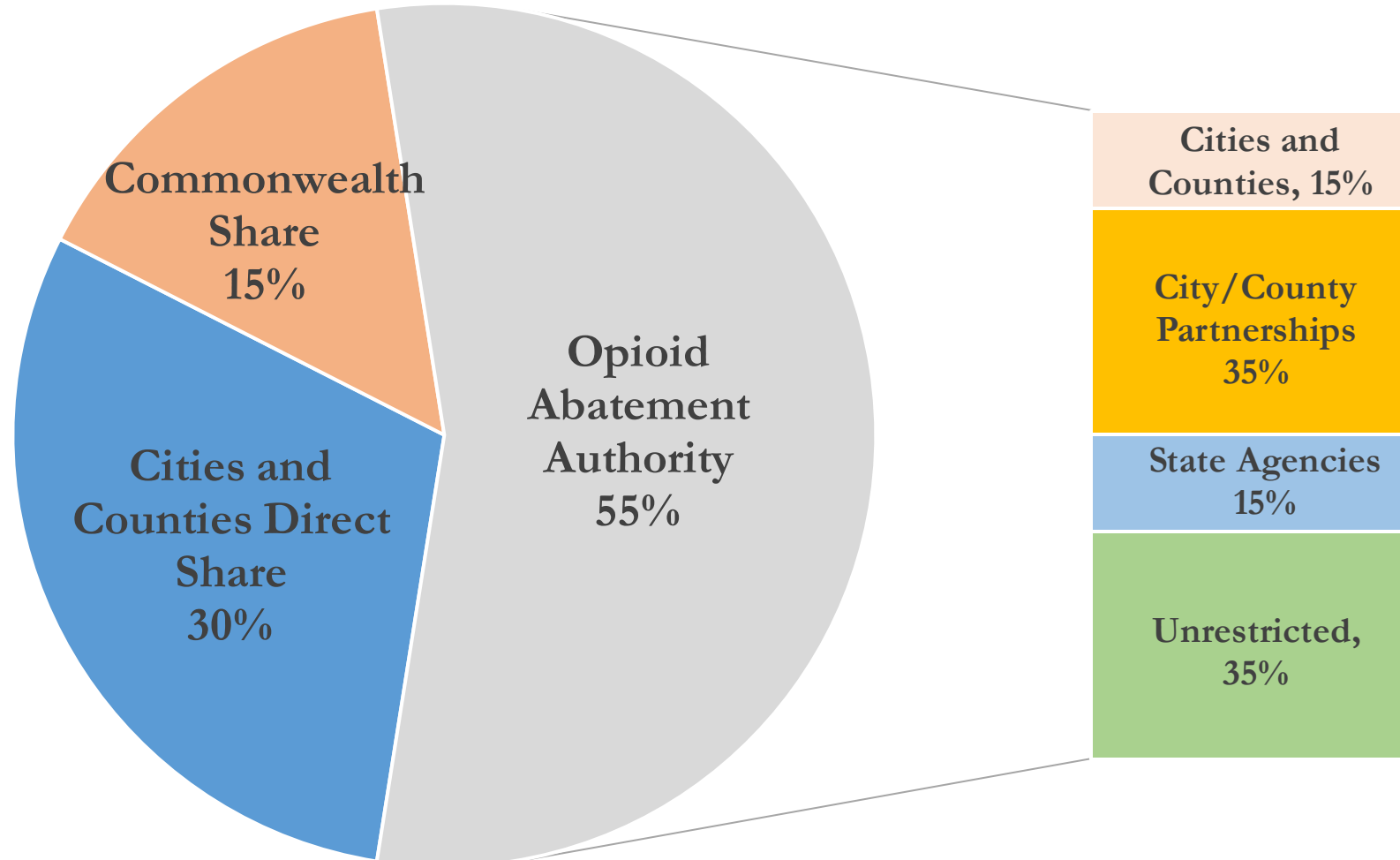
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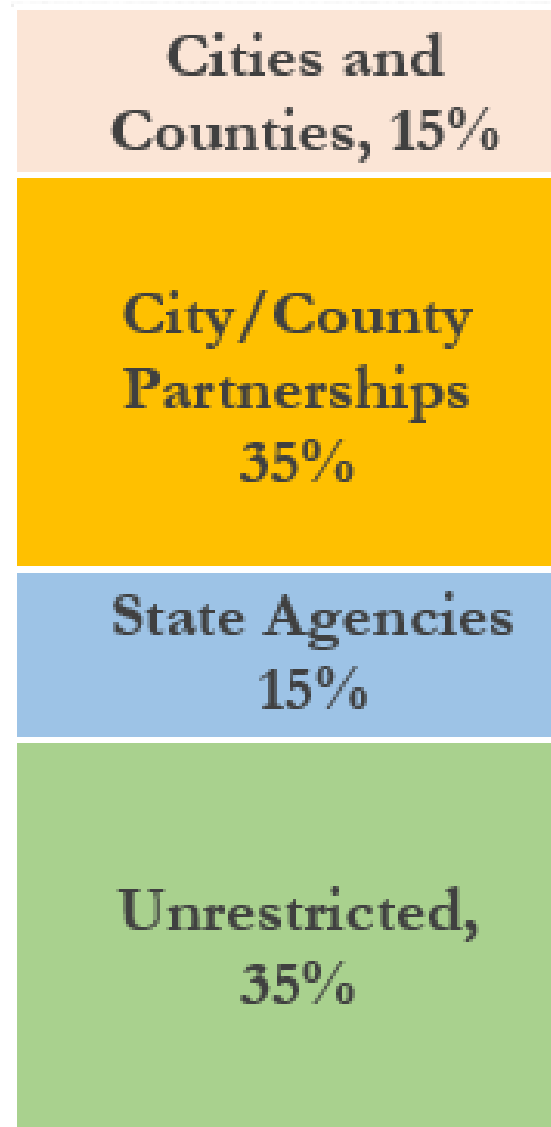
# Virginia's Settlement Distribution Agreement





# OAA Disbursements to Cities, Counties, and State Agencies.

## *Minimum Percentages*





# Bankruptcies / Settlement Negotiations in the Pipeline







# *Nationally Negotiated* Settlement Agreements Specify How the Funds May be Used

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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**

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- 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.”

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- 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.



**Building the  
Plane While  
Flying it**

**What could go  
wrong?**

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

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- \$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



# Examples of Individual Grants Awarded

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- Appomattox County (\$18,091) medication lock boxes
- City of Hampton (\$60,226) peer-led drop-in center, jail-based medication for opioid use disorder (MOUD)
- Roanoke City (\$252,867) ACEs training, peer recovery specialist for the jail, xylazine test strips, naloxone distribution
- Chesterfield County (\$82,755) Planning effort for a 24-hour behavioral health facility



# Examples of Cooperative Partnership Grants

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- Albemarle, Nelson, Louisa, Greene, Fluvanna, Charlottesville
  - ✓ \$834,894 - Expand CIT Assessment Center and response
  - ✓ \$448,500 - Expand Blue Ridge Center Community Response and add drop-in services.
- Lynchburg, Campbell County \$1,946,372 - Crisis receiving center



# Examples of Cooperative Partnership Grants (cont'd)

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- Stafford, Caroline, King George, Spotsylvania, Fredericksburg  
\$942,704 - Mobile delivery of MOUD, expand detox services at local recovery center.
- Fairfax, Arlington, Prince William, Loudoun, Alexandria  
\$3,613,048 - Create a residential treatment facility for adolescents.
- Grayson, Carroll, Galax \$260,199 - Enhance existing Recovery Court





# Examples of Cooperative Partnership Grants (cont'd)

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- Montgomery, Giles, Floyd, Pulaski, Radford \$3,391,750- Create a recovery “ecosystem” including treatment, medications, transportation, recovery court clinicians, law enforcement education, mobile treatment, harm reduction, and supportive housing.
- Smyth, Bland, Carroll, Grayson, Wythe, Galax \$1,000,000 - Expand outpatient treatment services, medications, regional transitional recovery housing
- Henrico, Chesterfield, Hanover, Richmond \$100,000 - Planning grant to evaluate needs, gaps, and resources to support pregnant and nursing mothers with opioid use disorders.



# Observations / Lessons Learned

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- Received many high-quality applications, from communities both large and small. AND there is no “one size fits all” solution.
- We did not really see communities seeking funds for “disfavored” purposes.
- Most applications came in at the very end of the process.
- Many cities/counties appear to have not encumbered any of their direct shares.
- Clear preference for cooperative partnership funding.
- Only 13 cities/counties applied for individual projects.
- **We need more applications from individual cities/counties**



# Observations / Lessons Learned

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- Sustainability of OAA-funded efforts frequently not addressed.
  - **This is an issue!!**
- Variety of partners/subcontractors identified
  - CSBs
  - Non-profits
  - Private providers
- In some cases the partners/subcontractors wrote the application and the city/county submitted it.
- There is still much to be done to facilitate all 133 cities and counties participation.



# Next Grant Application Process for Cities and Counties

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- Applications being accepted October 1, 2023 to April 1, 2024
  - ✓ Cities/Counties can request to amend/renew existing grants
  - ✓ And/or apply for new grants
- Individual grant amendments and individual grants are not competitive and can be approved by OAA on a rolling basis.
- Cooperative partnership awards are competitive and therefore will not be decided until after April 1, 2024.



# Updates to City & County Grant Processes

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- Provide a standardized spreadsheet to collect information regarding the use of direct distributions, including any of these funds reserved by the local government for future uses.
- Remove the requirement that the elected body must adopt a resolution in order to apply for the Gold Standard, and instead allow the chief executive (or person with signatory authority) to sign the agreement.
- Provide standardized budget spreadsheets for both revenues and expenses for each grant. For Cooperative Partnership applications, the budget should list the sources of contributed funds coming from each of the partners as well as any cash contributions being offered on behalf of the applicants from other organizations.



# Updates to City & County Grant Processes

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- For Cooperative Partnership applications, revise the sample agreement so that it references and affirms the budget spreadsheet.
- OAA will more highlight that cooperative partnership grants are only awarded one year at a time, and reiterate the process to receive renewals in each subsequent year.
- For each grant, regardless of type, applicants will be required to submit a narrative addressing sustainability.
- Provide more clarity on the different types of funds that cities and counties have and can use.



# More Tools to Help Applicants Next Cycle

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- Publish applications from the first cycle to serve as examples for others to follow.
- Publish a “toolkit” of evidence-based interventions and programs that can be implemented by local governments
- Add flow charts for various complex situations
- Offer a period of time where applicants can submit their drafts for review and feedback prior to the actual submission deadline.
- Communicate the processes for amendments and renewals.



# 1st Round of OAA Awards to State Agencies (FY24)

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- \$11 Million to 16 State Agencies
- Included all branches of state government – executive branch agencies, to judicial agencies, universities, & independent agencies.
- Wide spectrum of projects ranging from research, prevention/education, treatment, criminal justice diversion, recovery support.





# For more information

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