

Massachusetts Statewide Opioid Settlement Funds Virtual Forum

March 7, 2023



Agenda

- **Statewide Opioid Settlements and Sign On Process (AGO)**
- **Municipal Finance (DOR)**
- **Municipal Abatement Funds (DPH)**
- **Example (GAAMHA)**
- **Q&A**

Massachusetts Attorney General's Office

- Topics:
 - Background
 - Finalized Statewide Settlements
 - New Statewide Settlements
 - Municipal Sign-On Process
 - Municipal Abatement Funds



The Attorney General's Investigations

Key Findings:

Opioid Manufacturers used unfair and deceptive sales tactics to aggressively promote prescription opioids, including through tens of thousands of in-person sales calls to Massachusetts prescribers, resulting in a flood of inappropriate prescriptions.

Opioid Distributors failed to implement adequate suspicious order monitoring systems, ignored red flags, and shipped thousands of suspicious orders to pharmacies across the state.

Pharmacies across the state dispensed opioid prescriptions without sufficient regard for their legitimacy, in violation of their corresponding responsibility.

The Resulting Tragedy:

This misconduct enabled and perpetuated vast increases in opioid over-dispensing and diversion, and multiplied the toll of substance use disorder, overdose, and death that the Commonwealth and its residents continue to suffer.

From 2009 through September 2021, state records show that **18,061** Massachusetts residents died of opioid-related overdoses. More than 68% of those people – **12,372** Massachusetts residents – filled prescriptions for Schedule II opioids written by Massachusetts prescribers.

MA Opioid Settlement Overview

Over \$900 million in settlement funds for prevention, harm reduction, treatment, and recovery services.

Entity	Structure	Payment Start Date	Total Payment Amount
McKinsey	ORRF	2021	\$13 million
Johnson & Johnson and Distributors	ORRF and Municipalities	2022	\$525 million
Teva, Allergan, CVS, Walgreens, and Walmart	ORRF and Municipalities	2023 [projected]	\$421 million

Finalized Statewide Opioid Settlements

Finalized AGO settlements under which Massachusetts municipalities are eligible to receive direct payments in exchange for signing releases include:

- McKesson, Cardinal, and AmerisourceBergen (the “Distributors”)
- Johnson & Johnson (“J&J”)

Nearly all Massachusetts cities and towns are [participating](#) in, and currently receiving funds under, these settlements.

As of February 15, 2023, over \$42 million has been paid to Massachusetts cities and towns from the Distributors and J&J settlements.

New Statewide Opioid Settlements

The AGO has reached settlements in principle with the following entities:

- **Pharmacies:**
 - CVS
 - Walgreens
 - Walmart
- **Manufacturers:**
 - Allergan
 - Teva

In order to receive payment under these settlements, Massachusetts cities and towns, as well as eligible special districts, must sign on to the settlements **by April 18, 2023.**

Municipal Sign-On Process

1. Municipalities were sent participation forms and instructions for completing those forms by Rubris, the settlement administrator, on **February 9, 2023**.
2. Municipalities that would like to participate in the settlement agreements and receive payments must sign and return the forms to Rubris by **April 18, 2023**.

Municipal Sign-On Process

- Municipalities must sign and return a participation form for each settlement in which they would like to participate.
 - **Note:**
 - The Allergan and Teva settlements have a shared participation form. (“Will your subdivision or special district be signing the settlement participation forms for the Allergan and Teva Settlements at this time? Yes/No”)
 - Each of the other three settlements (CVS, Walgreens, and Walmart) have separate participation forms.
- Forms submitted for prior settlements, such as the settlement with J&J, are not applicable to the five new settlements.
- Prompt sign-on will ensure that Massachusetts and its municipalities receive the maximum amount of abatement funds from the settlements.

Municipal Abatement Funds

- Under the State-Subdivision Agreement, funds from statewide opioid settlements are allocated as follows:
 - **40% to the state's municipalities to expend on approved programs and strategies**
 - 60% to the state's Opioid Recovery and Remediation Fund
- Requires all funds to be used to supplement and strengthen resources for prevention, harm reduction, treatment, and recovery.
- Requires annual reporting to EOHHS by municipalities that receive annual payments of \$35,000. For municipalities falling below this threshold, a report is encouraged.
- Draft annual municipal reporting form is submitted through a web-based reporting platform.
- Municipalities are encouraged to pool resources and collaborate, including by leveraging existing shared services infrastructure: <https://www.mass.gov/service-details/public-health-shared-services>.

Municipal Abatement Funds

On the AGO's website, you can find:

1. Answers to frequently asked questions.
 - <https://www.mass.gov/info-details/frequently-asked-questions-about-the-ag-s-statewide-opioid-settlements>
2. The maximum estimated annual distributions to municipalities if they choose to participate in the five new settlements.
 - <https://www.mass.gov/lists/municipal-abatement-payments>
3. The maximum estimated annual distributions to municipalities participating in the settlements with the Distributors and J&J.
 - <https://www.mass.gov/lists/municipal-abatement-payments>

Municipal Abatement Funds

- You can find resources on the appropriation of opioid funds from the Massachusetts Association of Health Boards at the following link:
 - <https://mahb.org/appropriation-of-opioid-settlement-funds/>
- Cheryl Sbarra of the MAHB is in attendance today and will be available to answer questions during the Q&A portion of the webinar.

Questions

If you have questions about the final statewide opioid settlements, the new statewide opioid settlements, the municipal sign-on process, or municipal abatement funds, please contact the AGO at:

MAOpioidSettlements@mass.gov

Commonwealth of Massachusetts



Supporting a Commonwealth of Communities

Opioid Forum

March 7, 2023

Accounting Treatment of Opioid Funds

Debbie Wagner

Director of Accounts

FAQ's Regarding the Accounting Treatment of Opioid Funds

- 1. Can a municipality that anticipates receiving settlement funds from the recent opioid settlements set up a special revenue account to record them?**

No. All money received or collected from any source by a city, town or district belongs to its general fund and can only be spent after appropriation unless a general or special law provides an exception, i.e., expressly restricts use for a particular purpose or allows expenditure by a department or officer without appropriation. [G.L. c. 44, § 53](#). At present, there is no general or special law that provides an exception for these settlement proceeds. Accordingly, statewide opioid settlement funds received by a municipality belong to its general fund.

- 2. Is the Legislature considering an amendment to create an exception to G.L.c. 44, § 53 for statewide opioid settlement funds paid to municipalities?**

Yes. The Legislature is currently considering an amendment to [G.L. c. 44, § 53](#) that would permit municipalities to deposit statewide opioid settlement funds in a separate fund, outside of the general fund, upon the approval of the Director of Accounts. Under the proposed amendment, municipalities would still be required to appropriate the funds for their [intended purposes](#). The Division of Local Services linked to and summarized the proposed amendment in its [May 19, 2022 issue of City & Town](#).

3. Can a municipality that received opioid settlement proceeds prior to June 30, 2022 make an appropriation directly from those proceeds for their intended purpose at a meeting of the legislative body?

No. Funds received prior to the end of FY22 (June 30, 2022) will close to the general fund. In the ordinary course, the funds will then become part of the free cash certified by the Director of Accounts and once certified, may be appropriated. Free cash is traditionally certified in late fall in most communities. If certified by the time a town has their fall town meeting, the funds could be appropriated at that time. If a town does not have a fall town meeting or free cash is not certified until after a fall town meeting, presumably the spring town meeting could then vote to make the appropriation. A city could likewise make an appropriation once free cash is certified. However, it is important to note that free cash can be appropriated for any lawful purpose and difficulties can therefore arise when mandating that the settlement portion of free cash must be used for specific purposes. An additional issue arises if the community chooses not to certify their free cash or has a negative free cash balance.

4. How can a municipality that receives opioid settlement proceeds after July 1, 2022 use those funds in FY2023?

A city or town may classify settlement funds received in FY23 as general fund estimated receipts (Page 3 Local Receipts) and make an appropriation for the settlement purposes by amending their existing FY23 budget to reflect that new source of revenue before their tax rate is set. The amount they estimate should be the equivalent of what they raised and appropriated from taxation for the purpose, otherwise the excess will simply be reducing the tax levy.

5. If a municipality does not follow the above-described process, is there anything else they can do with these proceeds in FY2023?

If the settlement proceeds are received by March 31, 2023, a municipality can request that the Director of Accounts update their free cash certified as of the previous July 1 to include the unappropriated proceeds and make them available for appropriation on or before June 30, 2023. If the request is approved before the spring town meeting, the town could then make the appropriation at their spring town meeting or, in a city, at their subsequent regularly scheduled meeting.

6. Can a municipality vote to dedicate to a special purpose stabilization fund some or all of the opioid settlement funds it receives?

Yes. [IGR 17-20](#) outlines the procedures that a municipality can follow to create and dedicate funds to a special purpose stabilization fund. If a municipality receives opioid settlement funds before establishing a stabilization fund, it would need to utilize the processes noted above to appropriate into the stabilization fund after it is created. IGR 17-20 notes the required votes of the legislative body to effectuate these actions.

7. Must amounts appropriated from free cash for opioid remediation purposes be closed to the general fund if they are not expended prior to the next year end?

No. These funds may be reserved as a fund balance reserved for continuing appropriations until the purpose of the appropriation has been fulfilled.

Debbie Wagner
Director of Accounts
wagnerd@dor.state.ma.us



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Massachusetts Department of Public Health

MUNICIPAL OPIOID ABATEMENT GUIDANCE & RESOURCES MARCH 7, 2023



Deirdre Calvert, LICSW
Director
Bureau of Substance Addiction Services

Sarah Ruiz, MSW
Deputy Director of Strategy &
Community Health

Tribal Opioid Settlements

All Federally-Recognized Tribes are included in the Opioid Settlements separately from the State Settlements.



The screenshot shows the homepage of the Tribal Opioid Settlements website. The header is dark blue with the title 'Tribal Opioid Settlements' in white and navigation links for 'Home' and 'Settlements'. The main content area has a white background with a blue heading: 'Welcome to the Official Tribal Opioid Settlements Website'. Below the heading is a paragraph of text: 'Five New settlements have been reached to resolve Opioids litigation brought by Tribes and tribal health organizations against the three largest pharmacies: Walmart, CVS and Walgreens ("Pharmacies"), and two manufacturers: Teva and Allergan. These settlements will provide to Tribes and Alaska tribal health organizations over \$500 million for abatement of the Opioids epidemic across Indian Country. With the previous settlements with J&J and the Distributors, well over \$1 billion shall begin to be distributed to Tribes in early 2023.' A second paragraph follows: 'Tribes have the right to decide whether to participate in any, all, or no settlements. This website contains information about the settlements and how Tribes may participate and receive settlement funds.'

<https://www.tribalopioidsettlements.com/Index>

The two federally recognized tribes in MA are the Wampanoag Tribe of Gay Head (Aquinnah) and the Mashpee Wampanoag Tribe.

State-recognized tribes and other Native Americans living in MA can participate in the state settlements and give input at the state or municipal levels.

Shared Commitment to Abatement in a Manner that:

- Reflects the **input of our communities**, of people who have personal experience with the opioid crisis, of experts in treatment and prevention, and of staff and organizations that are carrying out the abatement work;
- **Addresses disparities in existing services and outcomes** and improves equity and the health of individuals and communities disadvantaged by race, wealth, and stigma, including through efforts to increase diversity among service providers;
- Addresses **mental health conditions, substance use disorders, and other behavior health needs** that occur together with opioid use disorder (“OUD”);
- **Leverages programs and services already reimbursed by state agencies** and programs, including direct care reimbursed by MassHealth and the state’s Bureau of Substance Addiction Services (“BSAS”); and,
- **Encourages innovation, fills gaps and fixes shortcomings of existing approaches;** supplements rather than supplants resources for prevention, harm reduction, treatment, and recovery; includes evidence-based, evidence-informed, and promising programs; and takes advantage of the flexibility that is allowed for these funds.

Municipal abatement funds must be used to implement strategies set forth in the State-Subdivision Agreement, *including reasonable workforce costs necessary to support the programs and strategies*

The agreement lays out various programs and strategies designed to support and promote:

- Opioid use disorder treatment access
- Support for people in treatment and recovery
- Connections to care
- Harm Reduction
- Meeting the needs of justice-involved individuals
- Support for Pregnant and Parenting Individuals and their Children
- Prevention

Municipal Abatement Funds

Municipalities receiving total annual payments of \$35,000 or more are required to report annually

- Municipalities are encouraged to pool resources and collaborate
- All municipalities will be encouraged to submit a report

Draft report template available at DPH webpage: [Guidance for Municipalities Utilizing Opioid Settlement Abatement Payments](#)

Municipal funding amounts are posted on the [AGO website](#)

Draft Annual Municipal Reporting Form

DRAFT Massachusetts Opioid Settlement Abatement Expenditure and Programmatic Report – FY23

Instructions: This form should be completed by all municipalities that received Massachusetts Opioid Settlement Abatement funds (“Abatement Funds”) during state fiscal year 2023 (June 1, 2022 – July 30, 2023).

Contact Information (Designated Municipal Administrator and Secondary Contact)

- C1. Primary contact name (type-in): _____ C4. Secondary contact name (type-in): _____
- C2. Primary contact email (type-in): _____ C5. Secondary contact email (type-in): _____
- C3. Primary contact phone (type-in): _____ C6. Secondary contact phone (type-in): _____

Municipal Fiscal Allocations

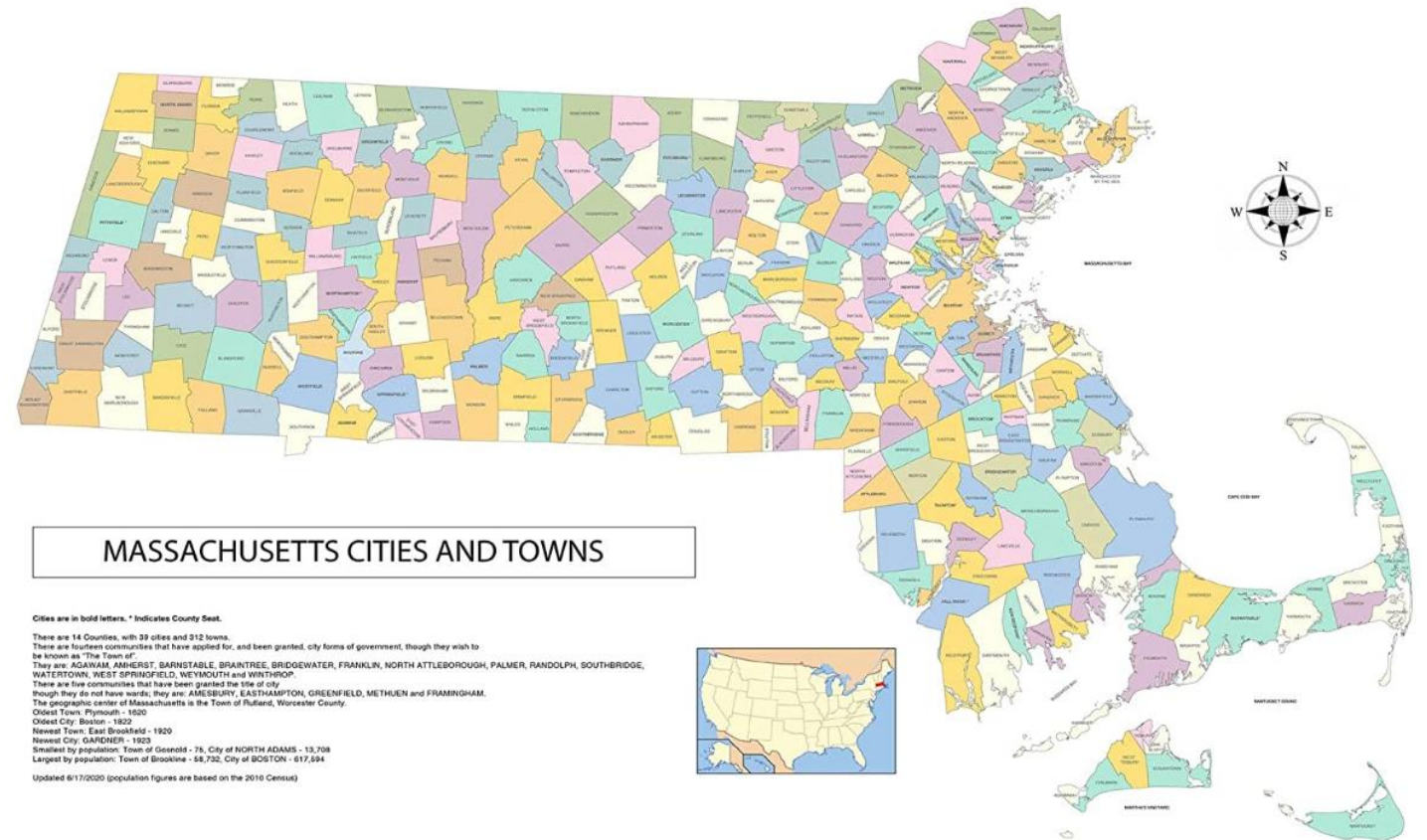
- M1. Name of the municipality you are reporting on (choose one): [drop-down of 351 MA municipalities]
- M2. Total abatement funds **received** by your municipality in FY23 (July 1, 2022 – June 30, 2023) (type-in): \$ _____ (exact dollar and cents amount)
- M3. Total abatement funds **expended** by your municipality in FY23 (type-in): \$ _____ (exact dollar and cents amount)
- M4. Is your municipality collaborating with other municipalities on the expenditure of abatement funds? (choose one) Yes [continue to question M5a] No [continue to question G1]
- M4a. Which municipalities (including yours) are you collaborating with? (choose all that apply): [multi-select drop-down of 351 MA municipalities]

Guiding Principles, Goals, and Objectives

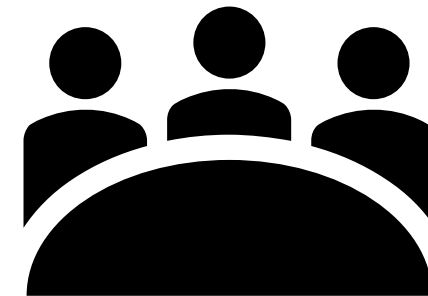
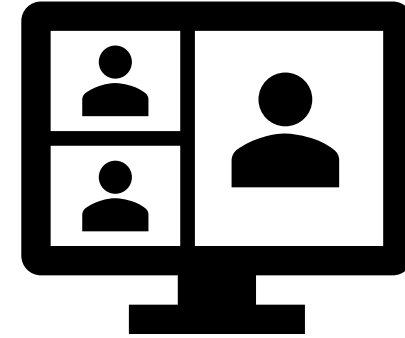
- G1. During FY23, did your municipality seek input from the following groups to inform how abatement funds would be allocated?
- a. ...people who have personal (lived) experience with the opioid crisis? Yes No Unsure

Report Visualization

All municipal annual reports will be publicly available in an interactive map for full transparency



- A TA & Data Collection vendor will assist with coordination for opioid abatement community engagement, strategy selection and implementation
- Connections to regional/local contacts for help with convening people with lived experience locally



Community Engagement Partners

BSAS staff and BSAS-funded organizations are available to support municipalities with soliciting input from people with lived experience locally.



www.mass.gov/dph/bsas

Peer Recovery Support Centers

Community. Connection. Support. Addiction Recovery Happens Here.



Regional Community Engagement Teams

- **Regional Community Engagement Teams** are available to help support municipalities with coordination of input from people with lived experience with the Opioid Crisis locally.
- BSAS will continue to add to these teams and support participation by people directly impacted by the Opioid crisis including marginalized populations.



Boston and Northeast Regional Teams

Boston Region:

Danielle O'Brien	Recovery Community Support Coordinator	BSAS Regional Contact: danielle.o'brien@mass.gov
Julie Bunch	Regional Coordinator	MOAR
Katie O'Leary	Director of Recovery Services	North Suffolk Community Services
Julie Casey	Nurse Manager of Addictions Division/RN	North Suffolk Community Services
Dave Decourcey	Program Director	Devine Recovery Center, Gavin Foundation
Kevin O'Brien	Recovery Coach Manager	North Suffolk Community Services
Jamie Dalton	Recovery Coach Supervisor	North Suffolk Community Services
Jose Luna	Behavioral Specialist Supervisor	Dimock Health Center
Melissa Foss	Recovery Coach	North Suffolk Community Services

Boston Regional Contact:
Danielle.O'Brien@mass.gov

Northeast Region:

Andrea Macone	Community Engagement Coordinator	BSAS Regional Contact: andrea.macone@mass.gov
Julia Bunch	Regional Coordinator	MOAR
Joanna Morillo	Program Director	New Beginnings Recovery Center, Spectrum
Kim Patterson	Program Director	Lynn Recovery Center, Spectrum
Michelle Simons	Addiction Workforce Grant Coordinator	North Shore Community College
Nicole Cardelle	Program Director /Recovery Coach Supervisor	The Recovery Café Lowell, Lowell House
Keriann Cacavarro	Program Director	The Bridge Recovery Center, Gavin Foundation

Northeast Regional Contact:
Andrea.Macone@mass.gov

Southeast and Metrowest Regional Teams

Metrowest Region:

Mike Bryant	Peer Recovery Support Coordinator	BSAS Regional Contact: michael.f.bryant@mass.gov
Scott Francis	Regional Coordinator	MOAR
Carmen Arnold	Program Director	The Recovery Connection/Spectrum
Daurice Cox (SE)	Executive Director	Baystate Community Services
Linda Rosenberg	Regional Manager	Learn to Cope

Southeast & Metrowest Contact:

michael.a.bryant@mass.gov

Southeast Region:

Mike Bryant	Peer Recovery Support Coordinator	BSAS Regional Contact: michael.f.bryant@mass.gov
Noel Sierra	Regional Coordinator	MOAR
Robert Cropper	Director of Recovery Management Services	Martha's Vineyard Community Services
Rosa Medeiros	Director of Homeless Services	Steppingstone
Melissa Kachapis	Clinical Director	Steppingstone
Carl Alves	Chief Executive Officer	PAACA
Doris Kraemer	Cape Cod Family Liaison for Learn to Cope; Commissioner on Falmouth CSU; board member for RIZE	Learn to Cope/RIZE/Falmouth CSU

Western and Central Regional Teams

Western Region:

Debbie Flynn-Gonzalez	Peer Recovery Support Coordinator	BSAS Regional Contact: debra.j.flynn-gonzalez@mass.gov
Nico Alicea	Regional Coordinator	MOAR
peter babineau	Director - Learn to Cope West	Learn to Cope
Erin Forbush	Director	ServiceNet
Kristel Applebee	Chief Executive Officer	WMTC
John Sullivan	Assistant Director	Northampton Recovery Center, WMTC

Central Region:

Debbie Flynn-Gonzalez	Peer Recovery Support Coordinator	BSAS Regional Contact: debra.j.flynn-gonzalez@mass.gov
Matt Gear	Regional Coordinator	MOAR
Shawn Hayden (W)	Vice President	GAAMHA
Terri Nabulsi	Regional Manager	Learn to Cope
Athena Haddon	Executive Director of Peer Services	Spectrum
Jackie Blanchard	Program Director	GAAMHA/Alyssa's Place
Michelle Dunn	Assistant VP of SUD services/ President & Founder of Alyssa's Place	GAAMHA/Alyssa's Place

West & Central Contact:
Debra.J.Flynn-
Gonzalez@mass.gov

Questions

Thank you for your participation!

Questions or recommendations can be sent to
DPHMuniOpioidAbatementQs@mass.gov

For updates and more information on the Community Engagement Teams, please go to:

<https://www.mass.gov/info-details/guidance-for-municipalities-utilizing-opioid-settlement-abatement-payments>