

*City Council Memorandum*

**To: Mayor Fasbender & City Councilmembers**  
**From: City Administrator Dan Wietecha**  
**Date: March 20, 2023**  
**Item: National Opioids Settlement**

**Council Action Requested:**

Adopt resolution Authorizing Participation in National Opioids Settlement.

**Background Information:**

Minnesota has joined a broad multistate coalition in reaching nationwide settlements with several opioid manufacturers and distributors: Teva, Allergan, CVS, Walgreens, and Walmart. The settlements resolve investigations and lawsuits against these companies for their role in the opioid crisis.

Minnesota will be eligible to receive more than \$235M over 15 years. Similar to the settlement in 2022, funds will be distributed based on a formula to cities over 30,000 population (not including City of Hastings) and counties. The total amount of payments to Minnesota will be determined by the overall degree of participation by cities and counties. Hastings signing on to the settlement agreement will help Minnesota reach a “critical mass” of participation and receive a greater amount of the potential settlement.

The City participated in a similar national opioid settlement in 2022. Hastings Police Department (as well as Farmington, Mendota Heights, Rosemount, South St. Paul, and West St. Paul police departments) have requested that Dakota County use a portion of its settlement proceeds to support the County Drug Task Force.

**Financial Impact:**

Not applicable

**Committee Discussion:**

Not applicable

**Attachments:**

- Resolution: Authorizing Participation in National Opioids Settlement
- National Opioid Settlement Overview
- LMC Opioid Settlement Flyer

**City of Hastings  
Dakota County, Minnesota**

**Resolution  
Authorizing Participation in National Opioids Settlement**

**WHEREAS**, the State of Minnesota, Minnesota counties and cities, and their people have been harmed by misconduct committed by certain entities that engage in or have engaged in the manufacture, marketing, promotion, distribution, or dispensing of an opioid analgesic;

**WHEREAS**, the State and Local Governments share a common desire to abate and alleviate the impacts of the misconduct described above throughout Minnesota;

**WHEREAS**, while the State and Local Governments recognize the sums which may be available from the aforementioned litigation will likely be insufficient to fully abate the public health crisis caused by the opioid epidemic, they share a common interest in dedicating the most resources possible to the abatement effort;

**WHEREAS**, Minnesota’s share of settlement funds from the National Settlement Agreements will be maximized only if all Minnesota counties, and cities of a certain size, participate in the settlements; and

**WHEREAS**, the City of Hastings has previously executed the Minnesota Opioid State-Subdivision Memorandum of Agreement;

**Now, therefore, be it resolved** by the Hastings City Council that the Mayor is authorized to execute the Participation Form(s) associated with the National Opioid Settlement.

Adopted this 20th day of March, 2023.

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Mary Fasbender, Mayor

Attest:

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Kelly Murtaugh, City Clerk

National Opioid Settlements: Teva, Allergan, CVS, Walgreens, and Walmart

Hastings city, MN

Reference Number: CL-386866

**TO LOCAL POLITICAL SUBDIVISIONS AND SPECIAL DISTRICTS:  
THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT NATIONAL OPIOID SETTLEMENTS.**

**SETTLEMENT OVERVIEW**

Proposed nationwide settlement agreements (“Settlements”) have been reached that would resolve opioid litigation brought by states, local political subdivisions, and special districts against two pharmaceutical manufacturers, Teva and Allergan (“Manufacturers”), and three pharmacies, CVS, Walgreens, and Walmart (“Pharmacies”). Local political subdivisions and special districts are referred to as “subdivisions.”

The Settlements require the settling Manufacturers and Pharmacies to pay billions of dollars to abate the opioid epidemic. The Settlements total over \$20 billion. Of this amount, approximately \$17 billion will be used by participating states and subdivisions to remediate and abate the impacts of the opioid crisis. Depending on participation by states and subdivisions, the Settlements require:

- Teva to pay up to \$3.34 billion over 13 years and to provide either \$1.2 billion of its generic version of the drug Narcan over 10 years or an agreed upon cash equivalent over 13 years;
- Allergan to pay up to \$2.02 billion over 7 years;
- CVS to pay up to \$4.90 billion over 10 years;
- Walgreens to pay up to \$5.52 billion over 15 years; and
- Walmart to pay up to \$2.74 billion in 2023, and all payments to be made within 6 years.

As provided under the Agreements, these figures are net of amounts attributable to prior settlements between the Defendants and certain states/subdivisions, and include amounts for attorneys’ fees and costs.

The Settlements also contain injunctive relief governing opioid marketing, sale, distribution, and/or dispensing practices.

Each of the proposed settlements has two key participation steps.

**First**, each eligible state decides whether to participate in each Settlement. A list of participating states for each settlement can be found at <https://nationalopioidsettlement.com>.

**Second**, eligible subdivisions within each participating state decide whether to participate in each Settlement. The more subdivisions that participate, the more funds flow to that state and its subdivisions. Any subdivision that does not participate cannot directly share in any of the settlement funds, even if the subdivision’s state is settling and other participating subdivisions are sharing in settlement funds. If the state does not participate in a particular Settlement, the subdivisions in that state are not eligible to participate in that Settlement.

## **WHO IS RUBRIS INC. AND WHAT IS THE IMPLEMENTATION ADMINISTRATOR?**

The Settlements provide that an Implementation Administrator will provide notice and manage the collection of participation forms. Rubris Inc. is the Implementation Administrator for these new Settlements and was also retained for the 2021 national opioid settlements.

## **WHY IS YOUR SUBDIVISION RECEIVING THIS NOTICE?**

Your state has elected to participate in one or more of the Settlements with the Manufacturers and/or the Pharmacies, and your subdivision may participate in those Settlements in which your state has elected to participate. This notice is also sent directly to counsel for such subdivisions if the Implementation Administrator has their information.

*If you are represented by an attorney with respect to opioid claims, please contact them. Subdivisions can participate in the Settlements whether or not they filed a lawsuit or are represented.*

## **WHERE CAN YOU FIND MORE INFORMATION?**

Detailed information about the Settlements, including each settlement agreement, may be found at: <https://nationalopioidsettlement.com>. This website also includes information about how the Settlements are being implemented in most states and how funds will be allocated within your state.

You are encouraged to review the settlement agreement terms and discuss the terms and benefits with your counsel, your Attorney General's Office, and other contacts within your state. Information and documents regarding the Settlements and your state allocation can be found on the settlement website at <https://nationalopioidsettlement.com>.

Your subdivision will need to decide whether to participate in the proposed Settlements, and subdivisions are encouraged to work through this process before the **April 18, 2023** deadline.

## **HOW DO YOU PARTICIPATE IN THE SETTLEMENTS?**

The Settlements require that you take affirmative steps to "opt in" to the Settlements.

In the next few weeks, you will receive documentation and instructions from the Implementation Administrator or, in some cases, your Attorney General's Office. In order to participate in a settlement, a subdivision must sign and return the required Participation Form for that settlement.

Please add the following email addresses to your "safe" list so emails do not go to spam / junk folders: [dse\\_na3@docusign.net](mailto:dse_na3@docusign.net) and [opioidsparticipation@rubris.com](mailto:opioidsparticipation@rubris.com). Please monitor your email for the Participation Forms and instructions.

All required documentation must be signed and returned on or before **April 18, 2023**.

# NEW ROUND OF OPIOID SETTLEMENTS, FUNDS, & ACTION STEPS



Settlements have been reached with opioid manufacturers Teva Pharmaceuticals and Allergan, and retail pharmacy chains Walmart, CVS and Walgreens.

Awards are dependent on participation by both litigating and non-litigating local governments and could exceed \$235 million over 15 years for Minnesota.

To maximize the money coming to Minnesota, all cities with populations over 10,000 are being asked to sign on to these settlements by April 18, 2023. Anticipated breakdown of payouts nationwide:

- Teva will pay up to \$4.25 billion over 13 years.
- Allergan will pay up to \$2.37 billion over 7 years.
- Walmart will pay up to \$3.1 billion over 6 years, with a possibility for states to earn the entire amount in the first year.
- CVS will pay up to \$5 billion over 10 years.
- Walgreens will pay up to \$5.7 billion over 15 years

## State/Local Government Memorandum of Agreement

Under the MOA, abatement funds will be directed as follows:

- Seventy-five percent (75%) will be paid directly to counties and certain cities/other municipalities that participate in the settlement process (e.g., cities over 30,000 population and any city that has a public health department).
- Twenty-five percent (25%) of the abatement funds will be paid directly to the State.
- Any city allocated a share may elect to have its full share or a portion of its full share directed to the county or counties in which it is located.
- Each county must consult annually with cities in its jurisdiction regarding future use of settlement funds, including holding an annual public meeting to receive input on proposed uses and to encourage collaboration between local governments.

## Action steps for cities by April 18, 2023

A notice of the settlements with Teva, Allergan and the three pharmacy chains along with the invitation to join was sent to cities on March 8, 2023. Participation is similar to the process cities used for joining last year's Johnson & Johnson and distributors settlements. The deadline to participate in this latest round of settlements is April 18, 2023.

**Action Step, due by April 18:** Cities with 2019 populations of at least 10,000 must sign documents via DocuSign and execute an amendment to last year's MOA. These documents are included in the email from [opioidsparticipation@rubris.com](mailto:opioidsparticipation@rubris.com).

## The League's Role

Since 2022, the League has been working closely with state and local government partners to develop and implement a state-subdivision agreement (or "Minnesota Memorandum of Agreement") designed to maximize the settlement funds coming to the state from litigation against opioids manufacturers and distributors. The money is earmarked to fund needed abatement and remediation programs to fight against the devastating impacts on Minnesota communities borne from the opioid crisis.

The League continues to work closely with state/county partners to facilitate communications about the settlement sign-on process and reporting requirements that will reflect how settlement funds are being used across the state.

## League Resources and Contacts

Visit the League's website for links to these resources and latest news: [lmc.org/resources/opioid-epidemic/](https://lmc.org/resources/opioid-epidemic/).

Please direct questions to the League of Minnesota Cities General Counsel: (800) 925-1122.

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