

Opioid Distributor and Johnson & Johnson Settlement Agreements

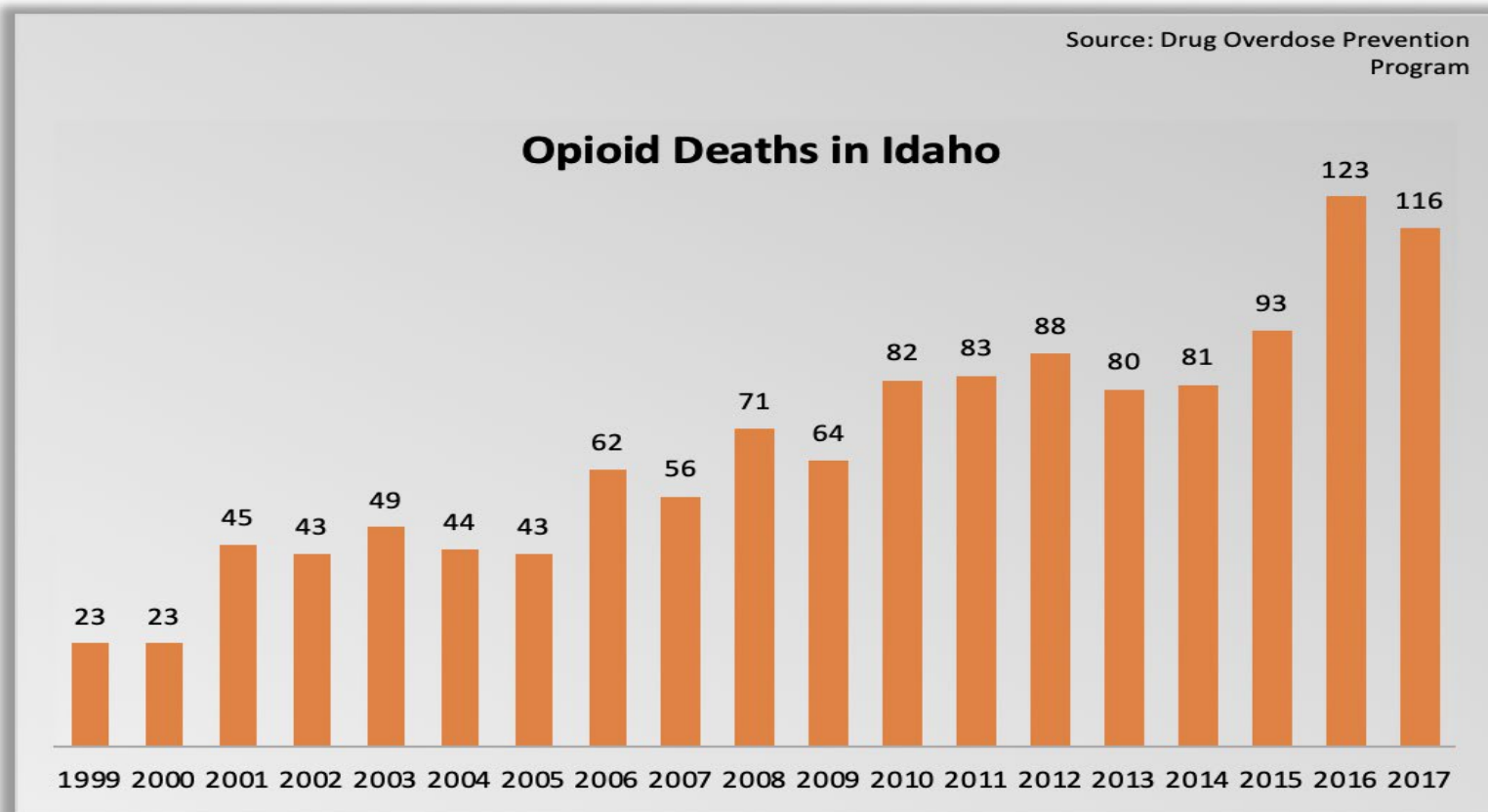


STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL
LAWRENCE G. WASDEN

Opioid Distributor and Johnson & Johnson Settlement Agreements

Opioid Addiction and Overdose is an Epidemic in Idaho

For several years, the State and local governments have participated in nationwide investigations and litigation against many companies and individuals to hold accountable those responsible.



Opioid Distributor and Johnson & Johnson Settlement Agreements

Idaho is Participating in Two Nationwide Settlements

- These settlements resolve legal claims related to the opioid epidemic with Johnson & Johnson and three major pharmaceutical distributors.
- The State of Idaho, through the Governor and Attorney General, signed onto these settlements on August 20, 2021.
- Because the State is participating, eligible local governments in Idaho may now also participate in the settlement agreements.
- The Settlements will help the State address the opioid epidemic in two ways: (1) by providing funding for opioid remediation and (2) through broad injunctive relief.

The logo for Johnson & Johnson, featuring the company name in a red, cursive script font.The logo for AmerisourceBergen, featuring a blue stylized wave icon above the company name in a black, sans-serif font.The logo for CardinalHealth, featuring a red stylized wave icon above the company name in a black, sans-serif font.The logo for McKesson, featuring the company name in a bold, blue, sans-serif font with a small orange square above the letter 'K'.

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Injunctive Relief

- Major changes in how prescriptions will be distributed and sold.
- Increased accountability and oversight.
- Independent monitor.
- National database, funded by Defendant distributors, to help stop deliveries of opioids to pharmacies where diversion and misuse are occurring.
- Johnson & Johnson will be prohibited from selling or promoting opioids.

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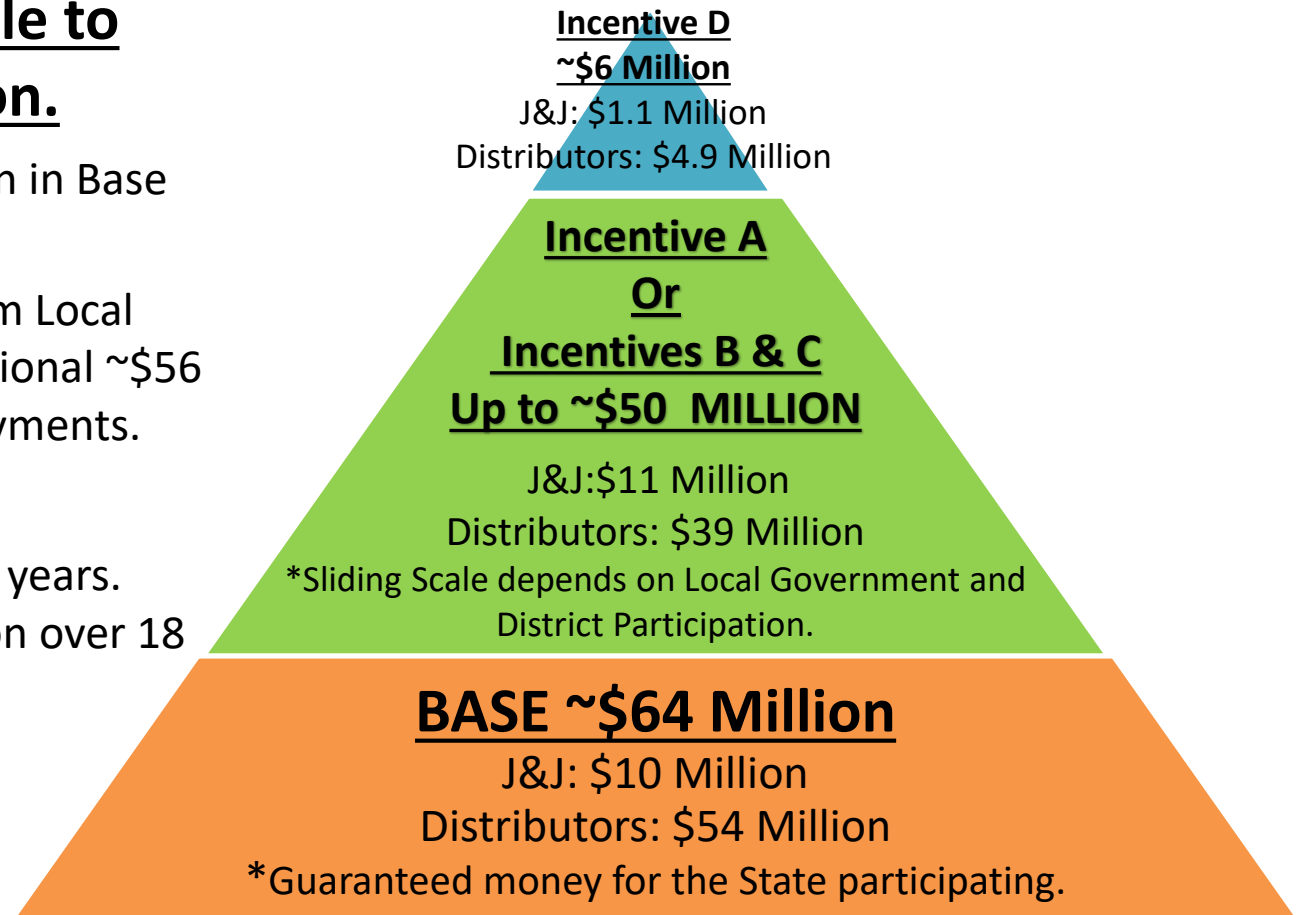
Funding for Idaho

Total Funds available to Idaho: ~\$120 Million.

- Guaranteed \$64 Million in Base Payments.
- Need Participation from Local Governments for additional ~\$56 Million in Incentive Payments.

Payment Timeline:

- J&J: \$22 Million over 9 years.
- Distributors: \$98 Million over 18 years.



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Incentive Payments

A+D or B+C+D

Incentive A ~\$50 Million

Maximum money for achieving
“Global Peace”

J&J: ~\$11 Million

Accelerated payment for first 3 years
(June 2022 Payment ~\$4.2 Million vs.
~\$1.4 Million w/out Incentive A).

Requires Participation/Bar of claims for:

- 1) All Counties
- 2) Cities > 10k or Litigating
- 3) School Dist. > 25K enrolled
- 4) Fire Dist. >25k population
- 5) Hospital Districts > 125 beds

Distributors: ~ \$39 Million

Requires Participation/ Bar of claims for:

- 1) All Counties
- 2) Cities > 10k or Litigating
- 3) School Dist. > 25K
- 4) Hospital Districts > 125 beds

OR

Incentive B ~\$8.9 to \$31 Million

Sliding Scale based on
Participation/Bar of claims of
Litigating Local Governments.

J&J: ~\$1.6 to 6.5 Million

Maximum payment available goes
down over time (Oct 28, 2022
deadline for maximum funds).

Need at least 75% of population of
litigating to be eligible and receive
minimum funds and need 100% to
receive maximum funds.

Distributors: \$7.3 to \$24.5
Million

Need at least 85% of population of
litigating to be eligible and receive
minimum funds and need 100% to
receive maximum funds.

Incentive C ~\$4.7 to 19 Million

Sliding Scale based on
Participation/Bar of claims of litigating
and large local governments.

J&J: ~\$1.3 to 4.5 Million

Need 60% of population of litigating
and non-litigating counties and cities >
30k to be eligible and receive
minimum and 100% to receive
maximum funds.

Receive bonus if Top Ten most
populous counties and cities join.

Distributors: ~ \$3.6 to \$14.5
Million

Need 60% of population of litigating
cities and counties and non-litigating
counties and cities > 30k to be eligible
and receive minimum and 100% to
receive maximum funds.

Incentive D ~\$6 Million

“Look Back” Payment if certain Local Governments don’t file suit after agreement.

J&J: ~\$1.1 Million

Payments starting in July 2027 if no surviving lawsuits have been
filed by: (1) School Dist. > 25K enrolled (2) Fire Dist. >25k population
or (3) Hospital Districts > 125 beds, as of February 1, 2027

Distributors: ~ \$4.9 Million

Payments starting in July 2026 if no surviving lawsuits have been
filed by local governments as of May 15, 2026.

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Idaho Opioid Settlement Intrastate Allocation Agreement

- 1) Idaho and local governments reached an agreement on how to split opioid settlements funds, including funds from potential future opioid settlements.
- 2) All funds must be spent on approved opioid remediation programs.
- 3) Expenditures must be annually reported to the Idaho Attorney Generals Office and will be made publically available.

State: 40%

Funds placed in the dedicated State-Directed Opioid Settlement Fund established under [Idaho Code § 57-825](#).

Appropriations from the Fund are made by the Idaho Legislature based on recommendations by the [Idaho Behavioral Health Council](#).

Participating Cities/Counties: 40%

All counties and cities with population more than 10,000 eligible

Funds are split between participating Cities and Counties based on population and certain opioid metrics as set forth in [Exhibit B](#).

Regional Public Health Districts: 20%

Funds placed in the Public Health District Fund established under [Idaho Code § 39-422](#).

Funds split between the health districts in proportion to the funds received by cities and counties within each health district's boundaries as set forth in [Exhibit C](#).

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Approved Opioid Remediation Strategies

- A full list is included as [Exhibit A](#) to the Idaho Allocation Agreement
- The list was developed nationally consulting with various state public health officials, experts, and official with the United States Department of Health and Human Services.

Address the misuse/abuse of opioid products

Support efforts to prevent over-prescribing and ensure appropriate prescribing and dispensing of opioids

Support efforts to discourage or prevent misuse of opioids

Support efforts to reduce overdose deaths and other harms

Increase availability of naloxone for first responders and outreach workers

Increase access to mental health services for at risk young people

Treat or mitigate opioid use or related disorders

Expand availability/oversight of treatment for Opioid Use Disorder (OUD) and related disorders

Provide additional support services for people in recovery

Invest in infrastructure and education to connect those who need help to the help they need

Invest in programs to address needs of persons with OUD in the criminal justice system

Expand support of pregnant women with OUD and infants with neonatal abstinence syndrome

Mitigate other effects of the opioid epidemic

Educating and supporting first responders and law enforcement as to appropriate practices

Supporting leadership, planning and coordination to abate opioid epidemic

Investing in infrastructure and training for government/ non-profits abating opioid epidemic

Investing in infrastructure to share information

Investing in research

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Important Dates

July 21, 2021	Initial deal announcement
August 21, 2021	Sign-on Period is scheduled to end for States
September 4, 2021	Defendants determine if # of States is sufficient
September 19, 2021	Official notice to subdivisions
September 30, 2021	Distributors pay initial payment into escrow
<u>January 26, 2022</u>	<u>Subdivision initial participation deadline.</u>
February 7, 2022	States' deadline to inform if participation is sufficient
February 25, 2022	Defendants determine if subdivision participation is sufficient
Feb. 25 – Apr. 2, 2022	States obtain state court consent decrees memorializing settlements
<u>April 2, 2022</u>	<u>Effective Date/Distributors make their first payment</u>
<u>July 1, 2022</u>	<u>J&J makes its first payment</u>
July 15, 2022	J&J and Distributors make their second payment

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The Attorney General is committed to protecting the legal rights of Idaho's citizens and to working with local governments to fight the opioid crisis in Idaho

Further information regarding the settlements is available at <https://www.ag.idaho.gov/consumer-protection/opioid-settlement/>



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Please direct any questions to:

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