

Opioid Settlement Agreements with Pharmacies, Teva, and Allergan

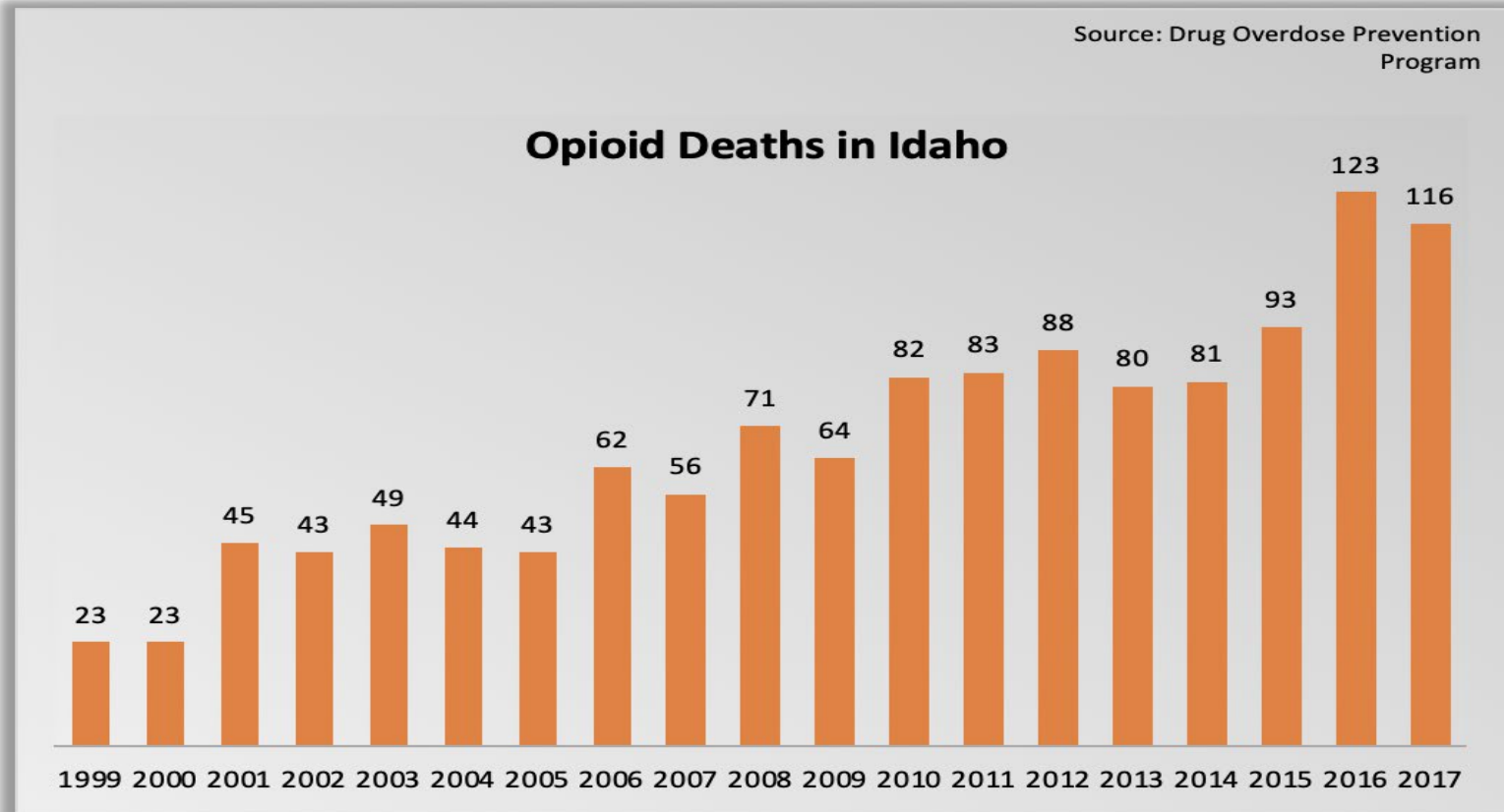


STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL
LAWRENCE G. WARDEN

Opioid Investigations and Litigation

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.



Overview

Idaho Finalized Five More Nationwide Settlements

- These settlements resolve legal claims related to the opioid epidemic with opioid manufacturers Teva Pharmaceuticals and Allergan, and three major chain pharmacies: CVS, Walgreens, and Walmart.
- 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.



Injunctive Relief

Pharmacy Settlements

- The three pharmacies each agree to implement a Controlled Substance Compliance Program, including establishing a Prescription Validation Process pharmacists must follow when dispensing opioid products.
- The pharmacies also agree to share information with State law enforcement regarding fraudulent or forged prescriptions.

Teva/Allergan Settlements

- Teva and Allergan agreed to strictly limit their marketing, promotion, sale, and distribution of opioids. Teva also agreed to be monitored for a five-year period following the settlement.

Abatement Funds for Idaho

Total Abatement Funds available to Idaho:

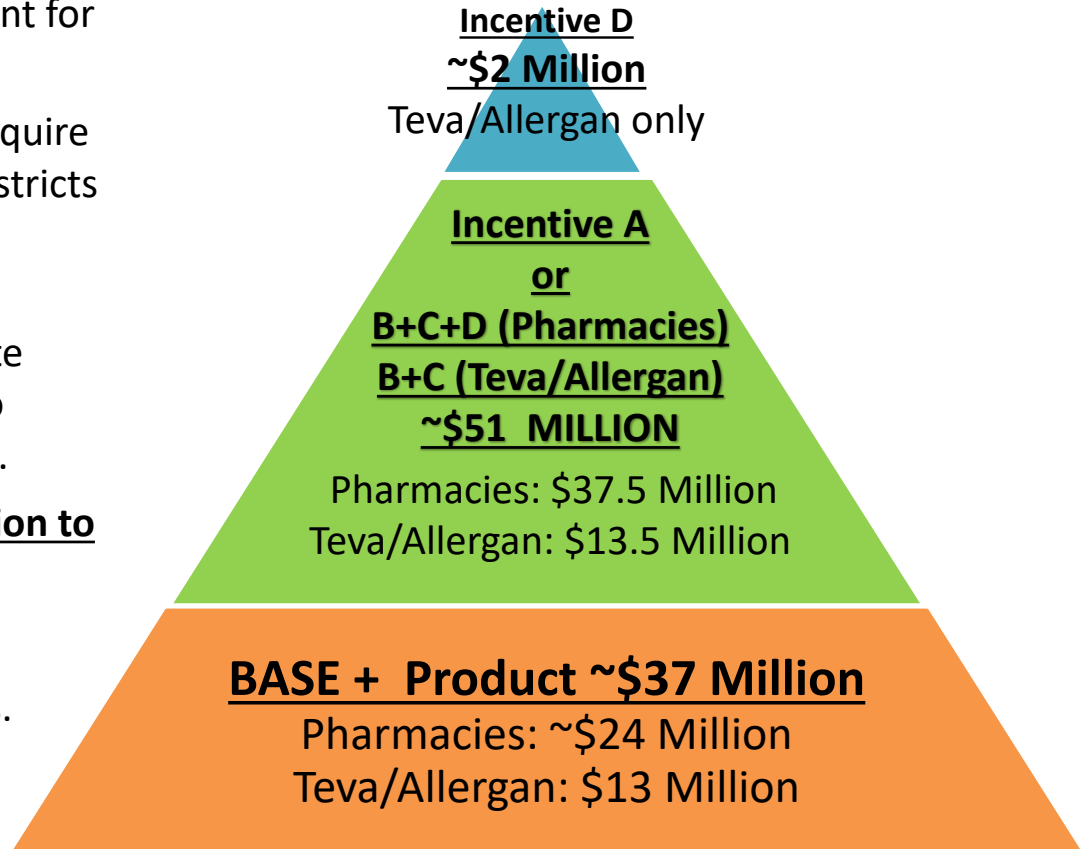
~\$90 million.

- Guaranteed ~\$37 Million Base Payment for State signing on.
- ~\$53 million in Incentive Payments require certain cities, counties, and special districts to sign on.
- A city, county, or health district that receives funds under Idaho's Intrastate Allocation Agreement must sign on to receive funds from these settlements.

Teva also agreed to additional ~\$1.5 million to Idaho in lieu of Narcan product.

Payment Timeline:

- Walgreens: ~\$25 Million over 15 years.
- CVS: ~\$23 Million over 10 years.
- Walmart: ~\$13 Million over 6 years.
- Teva: ~\$17.5 Million over 13 years.
- Allergan: ~\$10.5 Million over 7 years.



Incentive Payments: Pharmacy Settlements

- Total ~\$37.5 Million available for Idaho
- Based on Participation of Cities, Counties, and Special Districts

Incentive A

Receive Full ~\$37.5 Million

Maximum money for achieving
“Global Peace”

100% of Walmart abatement
payments accelerated.

Requires Participation of:

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

OR

Incentive B+C+D

Sliding Scale up to ~\$37.5 Million

Incentive B+C

- Sliding Scale based on Participation of
 1. Litigating Local Governments
 2. Threshold I Local Governments (population over 30k or litigated against Janssen and/or Distributors)
- Need minimum of 85% (of population) of litigating subdivisions and threshold subdivisions to receive any funds.

Incentive D (up to 15% of funds)

- “Look Back” payment if no county/city or special district set forth under Incentive A files suit at that time.
- 2 years for Walmart or 6 years for CVS and Walgreens

Incentive Payments: Teva/Allergan Settlements

- Total ~\$15.5 Million available for Idaho
- Based on Participation of Cities, Counties, and Special Districts

Incentive A ~\$13.5 Million

Maximum money for achieving “Global Peace”

Requires Participation of:

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

OR

Incentive B+C up to ~13.5 Million

- Sliding Scale based on Participation of
 1. Litigating Local Governments
 2. Primary Local Governments (population over 10k)
- Need minimum of 75% (of population) of litigating subdivisions and primary subdivisions to receive any funds.

Incentive D ~\$2 Million

- “Look Back” payments if local governments and special districts don’t file suit after agreement.
- First payment 2 years after settlement, second payment 5.5 years after settlement.

Idaho Opioid Settlement Intrastate Allocation Agreement

- 1) Idaho's Allocation Agreement will govern distribution of the abatement funds from these settlements.
- 2) All Cities, Counties, and Health Districts that receive funds under the Allocation Agreement must sign on to the settlements to receive their share of funds, even if a City or County has opted to reallocate its share of funds to its Health District.
- 3) Funds must be spent on approved opioid remediation strategies and 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%

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

Funds may voluntarily be reallocated to the City's or County's Health District

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](#).

Approved Opioid Remediation Strategies

- The same approved strategies set forth in [Exhibit A](#) to the Allocation Agreement apply.
- The list was developed nationally consulting with various state public health officials, experts, and officials with the United States Department of Health and Human Services.
- Examples include:

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

Opioid Pharmacy and Teva/Allergan Settlement Agreements

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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