

S T A T E O F M I C H I G A N

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN

OPIOID SETTLEMENT SPENDING PLAN - ADOPT PLAN

WHEREAS, Allegan County is the 69th most vulnerable county in Michigan related to substance use, with a rate of 12 overdose fatalities per 100,000 people; and

WHEREAS, Allegan County signed on to Settlement Agreements resulting from national litigation against manufacturers, distributors, and pharmacies for their role in the opioid and overdose crisis; and

WHEREAS, Allegan County is projected to receive \$2,821,042 over a total of eighteen (18) years, beginning in January 2023, as a result of receiving Settlement Funds; and

WHEREAS, the use of opioid settlement funds must meet certain requirements as outlined in Settlement Agreement Exhibit E and by the definition of opioid remediation as outlined in the settlement agreements; and

WHEREAS, the Allegan County Opioid Settlement Steering Committee (Steering Committee) recommended a spending plan for years 1 and 2 beginning October 1, 2024, through September 30, 2026, presented to the Allegan County Board of Commissioners (Board) on September 12, 2024; and

WHEREAS, the Board held a public hearing on September 12, 2024, to ensure community voices are heard related to expenditures associated with the drug overdose crisis.

WHEREAS, it is the recommendation of the Steering Committee to provide funding in the amount of up to \$176,315 per year for eligible services within the settlement spending plan; and

THEREFORE BE IT RESOLVED that the Board hereby adopts the above-described spending plan for opioid settlements in the amount of up to \$176,315 per year; and

BE IT FURTHER RESOLVED that the Board authorizes the County Administrator to proceed with agreements with service providers offering services related to prevention, harm reduction, treatment, and recovery for the agreement term through September 30, 2026; and

BE IT FINALLY RESOLVED that the County Administrator is authorized to make the necessary budget adjustments, and any documents required to complete this action are authorized to be signed.

Opioid Settlement Funds

Dan Wedge

Executive Director of Services

Allegan County Administration

Board of Commissioners

September 12, 2024



Overview

- Opioid Settlements
 - Spending Requirements
 - Allowable Uses
 - Determination of Allowability
 - Reporting Requirements
- National Guidance/Spending Principles
- County Planning Efforts
- Phase I Spending
- Phase II Spending



Opioid Settlement Overview



Opioid Settlements

- Over \$50 billion in settlements between state and local governments and pharmaceutical opioid manufacturers, marketers, distributors, and retailers due to alleged harms caused to communities
- Tribal settlements are taking place separately



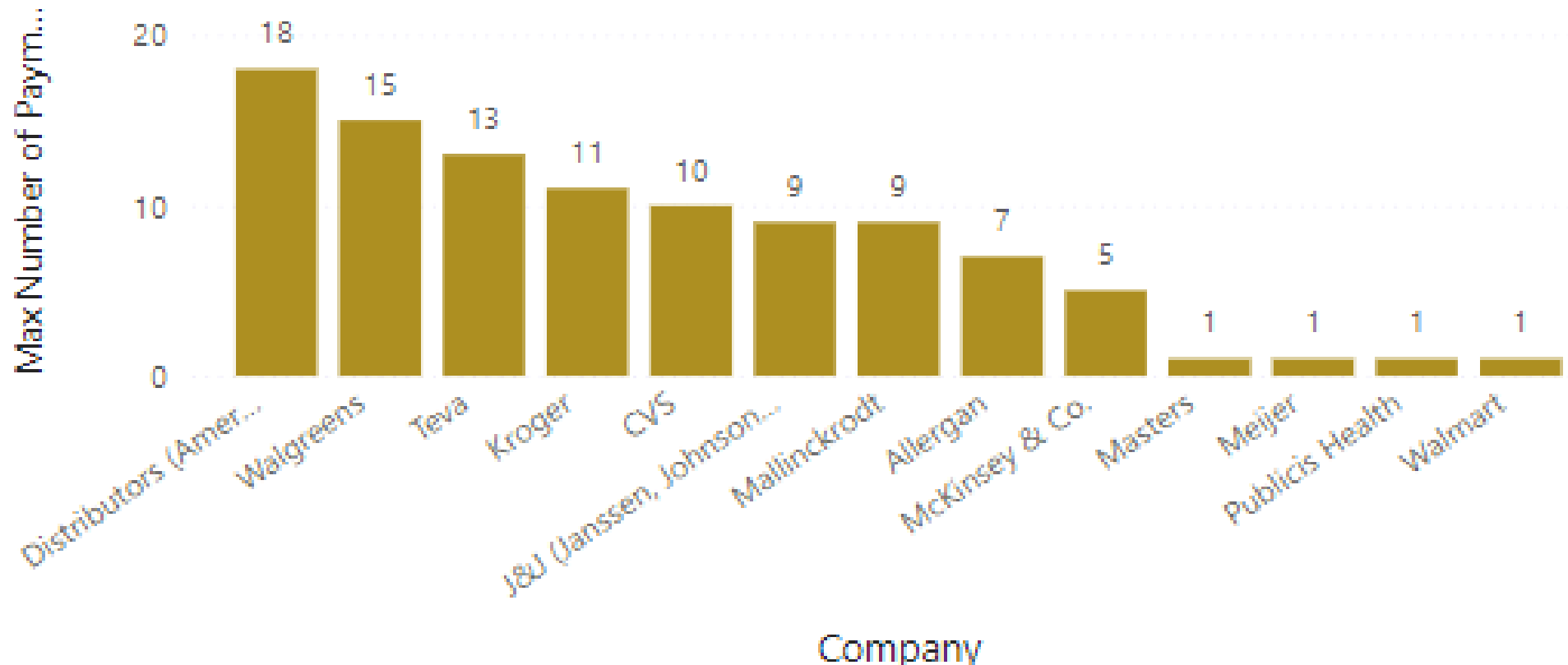
Opioid Settlements Overview

- Total estimated funds coming to Michigan - **\$1,654,091,933**
 - Total estimated state share - **\$908,095,150**
 - Total estimated subdivision share - **\$725,039,895**
 - Total estimated Allegan County share - **\$2,821,042**
 - From settlements with:
 - Distributors (McKesson, Cardinal Health, and AmerisourceBergen)
 - J&J
 - Walgreens
 - Walmart
 - CVS
 - Teva
 - Allergan
 - McKinsey & Co.
 - Mallinckrodt
 - Meijer
 - Publicis Health
 - Kroger



Maximum Number of Payments

Maximum Number of Payments by Company
(payment amounts will differ and may not be received annually)



Distribution of Funds

- After initial payments, payments should be made to counties annually in the summer
- Companies can frontload payments and skip payment in years, as long as consecutive years are not skipped
- Payment amounts will differ annually when payments are made



Spending Requirements

- Applies to: J&J, Distributors, CVS, Allergan, Teva, Walmart, Walgreens, and Kroger
- [Exhibit E](#) provides a non-exhaustive list of opioid remediation activities
- 15% of funds have no requirements for use
- 85% of funds must be used for opioid remediation
 - 70% of the 85% must be used for future opioid remediation



Spending Requirements

- Opioid Remediation - Definition
 - Care, treatment, and other programs and expenditures (including reimbursement for past such programs or expenditures except where this Agreement restricts the use of funds solely to future Opioid Remediation) designed to
 - (1) address the misuse and abuse of opioid products,
 - (2) treat or mitigate opioid use or related disorders, or
 - (3) mitigate other alleged effects of, including on those injured as a result of, the opioid epidemic.



Allowable Uses

- Prevention
- Harm Reduction
- Treatment
- Recovery
- Special Populations (pregnant and parenting, those involved with the criminal-legal system, etc.)
- Data and Infrastructure
- Planning and Coordination

The goal of the funds is to reach those most profoundly impacted by the drug overdose crisis.



Determination of Allowability

- Determination of allowability can only be determined by the Corporation Counsel at each unit of government
- Michigan Association of Counties (MAC) can provide an analysis of funding proposals to determine if activities are recommended and provide resources for evidence-based or promising practices
- Impacts:
 - County-to-county funding may have different allowable uses
 - Cities and townships may also have different allowable uses than the counties in which they are located
 - No standardized guidance or suggested uses specific to Michigan



Reporting Requirements

- Applies to: J&J, Distributors, CVS, Teva, Allergan, Walmart, Walgreens, and Kroger
- Report bi-annually into BrownGreer payment portal on all expenditures that do not align with “opioid remediation” and/or Exhibit E
 - Cap at 15% of funds
- No additional reporting requirements
- Michigan Association of Counties has an annual voluntary reporting survey
- Other settlements may have a different distribution process, requirements on spending and reporting requirements



Spending Principles



Strategies for adopting the Spending Principles

Principle 1: Spend money to save lives

- Establish a dedicated fund
- Supplement rather than supplant existing funding
- Don't spend all the money at once
- Report to the public on where the money is going

Principle 2: Use evidence to guide spending

- Direct funds to programs supported by evidence
- Remove policies that may block adoption of programs that work
- Build data collection capacity

Principle 3: Invest in youth prevention

- Direct funds to evidence-based interventions

Principle 4: Focus on racial equity

- Invest in communities affected by discriminatory policies
- Support diversion from arrest and incarceration
- Fund anti-stigma campaigns
- Involve community members in solutions

Principle 5: Develop a fair and transparent process for deciding where to spend the funding

- Determine areas of need
- Receive input from groups that touch different parts of the epidemic to develop a plan
- Ensure that there is representation that reflects the diversity of affected communities when allocating funds



County Planning Efforts



Planning Efforts

- Allegan County has created a steering committee with membership from the following entities:
 - County Administration
 - County Sheriff's Office
 - Allegan County Courts
 - Public Health
 - Public Defender Office
 - OnPoint – Managed Mental Health Care
 - Allegan County Medical Control Authority
 - Ascension Borgess Allegan Hospital
 - Medical Examiners Office
 - Allegan Area Educational Services Agency (Schools)



Planning Efforts

- Allegan County has engaged the Michigan Association of Counties (MAC) for no-cost technical assistance and support, utilizing MAC templates and guidance documents to assist with planning
- The steering committee collected data from the Allegan County Community Health Needs Assessment (CHNA), the Allegan County Community Health Improvement Plan (CHIP), data from the Lakeshore Regional Entity (LRE), the Opioid Settlement Distribution for the State of Michigan, data from Allegan County Fire/EMS, and Western Michigan University's Medical Examiner's (ME) annual report.
- The County plans to partner for a no-cost community assessment to identify service needs and focus on hearing from those with lived and living experience with substance use and their loved ones.



County Spending Plan



Phase I Spending: 2025-2026

- Allegan County anticipates \$176,315 per year for the average annual amount of funding available for the next 16 years. Stakeholder input has identified that some eligible services are available and funded through other sources. These services remain on the spending plan. If external funds lapse, annual reserve funds can be allocated to continue service.
- The Allegan County Opioid Settlement Steering Committee recommended a spending plan for years 1 and 2 beginning October 1, 2024, through September 30, 2026, as presented to the Allegan County Board of Commissioners (Board) on September 12, 2024; for an amount of up to \$176,315 per year for eligible services within the settlement spending plan.
- The full plan can be found on the Allegan County website under project. Link here: [Opioid Settlement Funds | Allegan County, MI](#)



Phase I Spending: 2025-2026

	Activity/Strategy	Organization providing service	Strategy Category	% of Annual Funds	Year 1 2025	Year 2 2026
1	Positive Youth Development and Well-being	AAESA, Great Start Collaborative, and local districts	Prevention; Harm Reduction	14%	\$ 24,299	\$ 24,299
2	Education and Marketing of Existing Resources and Programs for Support of Homeless and Other Populations	OnPoint Treatment Services	Prevention	3%	\$ 5,000	\$ 5,000
3	Implement SBIRT Training Plan	OnPoint	Prevention	6%	\$ 11,333	\$ 11,333
4	OUD Treatment Interdisciplinary (links with #7)	Onpoint	Treatment; Recovery Supports	21%	\$ 37,459	\$ 37,459
5	Indirect for administrative fees	OnPoint		2%	\$ 4,063	\$ 4,063
6	Annual funds reserved for additional services	Allegan County Contracts	Any Strategy Category	53%	\$ 94,161	\$ 94,161
7	Community-based Medication Assisted Treatment (MAT) program (links with #4)	OnPoint	Treatment; Recovery Supports	0%	\$ -	\$ -

Phase I Spending: 2025-2026

	Activity/Strategy	Organization providing service	Strategy Category	% of Annual Funds	Year 1 2025	Year 2 2026
8	Syringe Service Program	Red Project	Harm Reduction; Linkage to Care	0%	\$ -	\$ -
9	Jail-based Medication Assisted Treatment (MAT) program	OnPoint/MDHHS	Treatment; Recovery Supports	0%	\$ -	\$ -
10	Naloxone/Overdose Kits (recognizable bag)	MDHHS/3 local EMS	Harm Reduction; Treatment	0%	\$ -	\$ -
11	Narcan Administration- Training	The Red Project (Training to LE)	Harm Reduction: Prevention	0%	\$ -	\$ -
12	Education for Elderly Population, including appropriate use of prescribed medications	TBD	Prevention	0%	\$ -	\$ -
					\$ 176,315	\$ 176,315

Phase II Spending: 2027

- 2027 will begin the second phase of spending
- Allegan County will work on a community assessment to hear from those most profoundly impacted. Work is planned to begin in the first quarter of 2025 through a partnership with the Michigan Association of County (MAC), the Michigan Department of Health and Human Services (MDHHS), and Michigan State University (MSU).
- The County wants to address the current urgency of the drug overdose crisis by spending based on existing data in Phase I, but wants to ensure all voices are heard for future spending in Phase II



Contact

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