

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

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN

NATIONAL OPIOIDS SETTLEMENT

WHEREAS, on November 7, 2019, the Board of Commissioners (Board) provided direction that resulted in the County remaining eligible to participate in a settlement relating to the class action lawsuit on the opioid crisis; and

WHEREAS, the County has received settlement participation agreements that could likely result in a \$900,000 - \$1,400,000 distribution to the County, over 18 years, to support addiction reduction and opioid remediation activities; and

WHEREAS, the County must execute and return the agreements by January 2, 2022.

THEREFORE BE IT RESOLVED that the Board authorizes participation in the opioid class action settlement; and

BE IT FINALLY RESOLVED that the County Administrator is authorized to complete the necessary documents including signature on behalf of the County, pending final legal review and recommendation.

*****Substitute RFA*****

#208-002 RE: Review Opioid Settlement Process

December 2, 2021

Submitted by: Executive Director of Finance Lorna Nenciarini

Opioid Settlement: At its November 7, 2019 meeting, the Board was briefed on the class action lawsuits against opioid manufacturers and distributors. At that time, the Board directed Administration to continue as part of the class. This was done by “doing nothing”, because the action that needed to be taken at that time was a decision to opt out. The Board minutes are as follows:

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

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN

ADMINISTRATIVE REPORT: OPIOID CLASS ACTION LAWSUIT

Sarro updated the board on the class action lawsuit on the opioid crisis. Counties and cities across the country have sued manufacturers, distributors and retailers of prescription opiate drugs seeking, among other things, reimbursement for monies spent addressing the opioid crisis.

Moved by Commissioner Cain, seconded by Commissioner Dugan to do nothing on the class action lawsuit on the opioid crisis as by doing so leaves the County as part of the class action lawsuit. Motion carried by voice vote. Yeas: Kapenga, DeYoung, Dugan and Cain. Nays: Storey, Thiele and Jessup.

The County has recently been notified that tentative settlements have been reached, and that it is time to sign documents that affirmatively opt in to the proposed settlements. Continuing to “do nothing” would remove the County from the class. This means that the County would not participate in any monetary distributions. It would also allow the County to pursue individual legal action against the range of defendants.

The State of Michigan’s portion of the proposed settlement, which governs how much each County receives, is dependent upon the number of counties that opt-in (more participants = more money per participant), and could be as much as \$776 million. If Allegan opts in, and the State receives the full distribution, the County would receive approximately \$1.4 million, spread over 18 years. Again, if the County chooses not to sign the documents, signaling that it chooses not to be a part of the class, no dollars would be received.

While details are not yet available, initial guidance indicates that the dollars to be received are expected to support addiction reduction activities and opioid remediation, and that some level of reporting will be required. It is unknown if portions of the funding may be applied to past expenses, or if “safe harbor” uses (such as passing the funds to a mental health agency) will be defined. Also undefined is whether the funds may supplant, rather than supplement, existing funds that are used for the same purpose. Without opting in, these details will not matter to the County. If the County chooses to opt in, the first payment of the settlement dollars is expected to be received in April 2022, with the second payment being received in July 2022.