

## **Subdivisions Opioid Settlements**

### **Amounts Received**

#### **I. McKesson**

A. Total abatement amount was **\$141 million**, split evenly between the State and local entities (subdivisions, county health departments, and public hospitals). McKesson has made two payments to the local entities totaling \$14,100,000.

B. McKesson also paid \$11 million in fees for local counsel.

#### **II. Janssen (J&J)**

A. Total abatement amount was **\$70,329,014.38**, split evenly between the State and local entities.

B. Janssen also paid approximately \$5 million in fees for local counsel.

C. Janssen held back over \$3.5 million because one subdivision did not participate. The State agreed to have this entire amount taken out of its share so local entities could receive their full share immediately. Janssen will release the held back funds if the non-participating subdivision does not sue within two years from the settlement date.

#### **III. Walmart**

A. Total abatement amount was **\$38,700,000**, with \$35,700,000 going to the local entities.

### **Amounts to be Received in the Future**

#### **I. Allergan**

A. Total abatement amount to Alabama is **~\$34,040,657.07**, to be paid over 7 years. The settlement is being split evenly between the State and local entities.

B. The local share will be **~\$17,020,328.54**.

C. We must obtain full participation from all required entities to receive full payment. We are working on finalizing the list of required entities with Allergan.

## II. Teva

A. Total abatement amount to Alabama is **~\$57,138,399.98**, to be paid over 13 years. The settlement is being split evenly between the State and local entities.

B. The local share will be **~\$28,569,466.99**.

C. The settlement also includes a product component, which can be converted to cash at the discretion of the Attorney General. The Attorney General has chosen the cash option. As it stands now, the cash value of the product for Alabama is \$4,655,647.13, which will be split evenly between the State and local entities.

D. We must obtain full participation from all required entities to receive full payment. We are working on finalizing the list of required entities with Teva.

## III. CVS

A. Total abatement amount to Alabama is **~\$75,851,591.91**, to be paid over 10 years. The settlement is being split evenly between the State and local entities.

B. The local entity share will be **~\$37,790,795.96**.

C. We must obtain full participation from all required subdivisions to receive full payment. Once we finalize the list of required entities with Teva and Allergan, we will submit that to CVS.

## IV. Walgreens

A. Total abatement amount to Alabama is **~\$82,187,066.19**, to be paid over 10 years. The settlement is being split evenly between the State and local entities.

B. The local entities State's ultimate share after splitting with the subdivisions will be **~\$41,093,533.10**.

C. We must obtain full participation from all required subdivisions to receive full payment. Once we finalize the list of required entities with Teva and Allergan, we will submit that to Walgreens.

V. Kroger

A. A group of attorneys general have announced a resolution on monetary terms as part of settlement negotiations with Kroger. Under that settlement, the states (and subdivisions) would receive \$1.2 billion in abatement funds. Alabama's share (state and subdivisions) would be **\$19,680,000**.

B. At this time, negotiations on injunctive terms are still ongoing, so there actually is no settlement at this time. Even if the settlement were finalized in the next few weeks, the first payment would not come until mid-2024 at the earliest.

A. The length of the payment term has not been announced.

VI. Purdue Bankruptcy

A. The total estimated abatement amount to Alabama is **~74,605,571.92**. The settlement is being split evenly between the State and local entities.

B. However, the bankruptcy plan is being challenged in the U.S. Supreme Court, and there is a possibility the plan will not be approved. Right now, there's no really solid guess as to when (if) the first payment might be because of the ongoing appeal. The most recent estimate from the multistate's financial advisors was that the first payment wouldn't come until 2026 (before the Supreme Court got involved).

C. The local share would be **~\$37,302,785.96**.

## VII. Mallinckrodt Bankruptcy

- A. Mallinckrodt paid Alabama \$2,441,674.01 earlier this year as part of a prior bankruptcy agreement, with 50% going to local entities. Mallinckrodt is re-entering bankruptcy and will pay the states a lump sum to resolve all claims against it. Alabama should get approximately \$4,000,000 more to resolve its claims, with 50% of that amount again going to local entities.
- B. The Mallinckrodt bankruptcy case has additional requirements for the State and local governments.
- C. The National Opioid Abatement Trust II distributes Mallinckrodt funds to the states. The Office of the Attorney General is the recipient of funds for Alabama.
- D. As the recipient of the Mallinckrodt funds, the Attorney General must submit a report to the Trust identifying the abatement purposes on which Mallinckrodt funds have been spent. This report must identify spending by the State and every entity that receives Mallinckrodt funds from the Office of the Attorney General.
- E. Starting in 2024, local governments will have to submit a report to the Attorney General's Office detailing their Mallinckrodt expenditures so the Attorney General's Office can submit the report to the Trust.

## VIII. Endo Bankruptcy

- A. In 2021, Alabama settled with Endo prior to trial for \$25 million, with \$10 million going to local entities. Endo declared bankruptcy before paying. The State has now joined a settlement to resolve its claims against Endo through the bankruptcy case. As part of that settlement, the entities purchasing Endo's assets will pay public opioid claimants, including the State of Alabama, a total of \$465.2 million.
- B. The State and the local entities will evenly share the funds Alabama receives from this case.