### ORDINANCE NO. 033-21

AN ORDINANCE ACCEPTING THE MATERIAL TERMS OF THE ONEOHIO SUBDIVISION SETTLEMENT, PURSUANT TO THE ONEOHIO MEMORANDUM OF UNDERSTANDING AND CONSISTENT WITH THE TERMS OF THE JULY 21, 2021 NATIONAL OPIOID SETTLEMENT AGREEMENT; AND DECLARING AN EMERGENCY

AN EMERGENCY ORDINANCE AUTHORIZING the Law Director for the City of Napoleon, Ohio to execute the Participation Agreement for the OneOhio Subdivision Settlement with McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation ("Settling Distributors") pursuant to the OneOhio Memorandum of Understanding regarding the pursuit and use of potential opioid litigation settlement funds and consistent with the material terms of the July 21, 2021 proposed National Opioid Distributor Settlement Agreement available at https://nationalopioidsettlement.com/.

WHEREAS, the City of Napoleon, Ohio (herein "Municipality") is a municipality formed and organized pursuant to the Constitution and laws of the State of Ohio; and,

WHEREAS, the people of the State of Ohio and its communities have been harmed by misfeasance, nonfeasance and malfeasance committed by certain entities within the Opioid

WHEREAS, the State of Ohio, through its Attorney General, and certain Local Governments, through their elected representatives and counsel, are separately engaged in litigation seeking to hold Opioid Pharmaceutical Supply Chain Participants accountable for the damage caused by their misfeasance, nonfeasance and malfeasance; and,

WHEREAS, the State of Ohio, through its Governor and Attorney General, and its Local Governments share a common desire to abate and alleviate the impacts of that misfeasance, nonfeasance and malfeasance throughout the State of Ohio; and,

WHEREAS, the State and its Local Governments, subject to completing formal documents effectuating the Parties Agreements, have drafted and the City of Napoleon, Ohio has adopted, and hereby reaffirms its adoption of, a OneOhio Memorandum of Understanding ("MOU") relating to the allocation and the use of the proceeds of any potential settlements

WHEREAS, the MOU has been collaboratively drafted to maintain all individual claims while allowing the State and Local Governments to cooperate in exploring all possible means of

WHEREAS, this Council understands that an additional purpose of the MOU is to create an effective means of distributing any potential settlement funds obtained under the MOU between the State of Ohio and Local Governments in a manner and means that would promote an effective and meaningful use of the funds in abating the opioid epidemic throughout Ohio, as well as to permit collaboration and explore potentially effectuation earlier resolution of the Opioid Litigation against Opioid Pharmaceutical Supply Chain Participants; and,

WHEREAS, nothing in the MOU binds any party to a specific outcome, but rather, any resolution under the MOU requires acceptance by the State of Ohio and the Local Governments;

WHEREAS, a settlement proposal is being presented to the State of Ohio and Local Governments by distributors AmerisourceBergen, Cardinal, and McKesson (collectively the

"Settling Distributors") to resolve governmental entity claims in the State of Ohio using the structure of the OneOhio MOU and consistent with the material terms of the July 21, 2021 proposed National Opioid Distributor Settlement Agreement; and,

WHEREAS, this Council wishes to agree to the material terms of the proposed National Opioid Distributor Settlement Agreement with the Settling Distributors (the "Proposed Settlement"); Now Therefore,

# BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NAPOLEON, OHIO:

Section 1. That, the Law Director for the City of Napoleon is hereby authorized to accept the Proposed Settlement on behalf of the City of Napoleon, Ohio, pursuant to the terms of Section 2. That it is found and date in the City of Napoleon, Ohio, pursuant to the terms of Section 2.

Section 2. That, it is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Ordinance were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and the Codified Ordinances of Napoleon Ohio.

Section 3. That, if any other prior Ordinance or Resolution is found to be in conflict with this Ordinance, then the provisions of this Ordinance shall prevail. Further, if any portion of the remaining portions of this Ordinance or any part thereof.

Section 4. That this Ordinance is but it is a section of the remaining portion of the remaining portions of this Ordinance or any part thereof.

Section 4. That, this Ordinance is hereby declared to be an emergency measure, necessary for the preservation of the public peace, health, welfare and safety of the City and its inhabitants, and for further reason that this legislation must be in effect at the earliest possible time to be eligible to be included in the settlement, the participation documents being due August 13, 2021; such being essential to public peace, health, and safety; therefore, provided it receives the required number of votes for passage as emergency legislation, it shall be in full force and ensure prompt pursuit of funds to assist in abating the opioid epidemic throughout Ohio, which affects the public peace, health, and safety accessible to our citizens, and for further reasons as stated in the Preamble hereof.

Passed: Ougust 9, 2021

Joseph D. Bialorucki, Council President

Approved: August 9 2021

Jason P. Maassel, Mayor

VOTE ON PASSAGE // Yea O Nay O Abstain

Roxanne Dietrich, Clerk of Council
I, Roxanne Dietrich, Clerk of Council for the City of Napoleon, do hereby certify that the foregoing Ordinance No. 033-21 was duly published in the Northwest Signal, a newspaper of general circulation in said City, on the 12th day of 0 2021; & I further certify the laws of the State of Ohio pertaining to Public Meetings.
Roxanne Dietrich, Clerk of Council

Attest:

#### **EXHIBIT 1**

# OneOhio Summary of Proposed Settlement with AmerisourceBergen, Cardinal Health and McKesson

A settlement proposal is being presented to you for your consideration concerning the opioid litigation with AmerisourceBergen, Cardinal Health and McKesson (the Distributors). The settlement is being offered by the Distributors for resolution of governmental entity claims in the State of Ohio. The proposal utilizes the structure of the OneOhio agreement between the State of Ohio and its subdivisions, subject to one modification discussed below

Under the proposal, the Distributors will pay up to an estimated \$804,865,429 to the State of Ohio and its subdivisions over 18 years. Under the OneOhio agreement, these funds will be distributed according to the following allocation: 15% directly to the State of Ohio; 30% directly to subdivisions; and 55% to the OneOhio Foundation (to be utilized for the benefit of the subdivisions across the State of Ohio). Most of the money will be restricted in use and specifically earmarked for abatement of the Opioid Epidemic. Developed in consultation with intervention, treatment, education, and recovery services so that the state and its subdivisions can decide what will serve their communities.

Participation levels (the percentage of Ohio cities and counties who agree to the deal) will affect how much money the State of Ohio and its subdivisions will receive. About 45% of abatement funds are in the form of "incentive payments" which provide incentives for higher levels of participation. With the goal of getting funds to the community as fast as possible, if 95% subdivisions as early as this year. Portions of the annual payment to each state may be subject to against the distributors past specified suspension deadlines.

Because 45% of the funds are paid in the form of incentive payments, in order for the State of Ohio and its subdivisions to maximize recovery under the proposed settlement, it is critical that incentive structure:

- Once a state agrees to participate, it is eligible to receive 55% of the funds as a "base payment."
- The remaining 45% can be obtained through a combination of "incentive payments."
- "Incentive A" is up to 40% of the remaining funds. Incentive A is paid if the State of Ohio enacts legislation to release all pending claims and prohibit subdivisions who have not brought claims from bringing them in the future. To allow time for the State to enact legislation, Incentive A will be paid in the first two payments, regardless of whether the legislation has been passed. Any overpayment in year one and two will offset future

payment. If Incentive A is not achieved, the State of Ohio can obtain the same amount of funds through Incentives B and C. Incentives B and C are alternatives to Incentive A.

- "Incentive B" is up to 25% off the remaining funds. Incentive B is paid on a sliding scale depending on the population of Litigating Subdivisions that are Participating Subdivisions compared to total population of all Litigating Subdivisions in the State. Must have at least 85% to get any share of Incentive B.
- "Incentive C" is up to 15% of the remaining funds. Incentive C is paid on a sliding scale depending on the population of Litigating Subdivisions and of Non Litigating Subdivisions that have a population over 30,000 that are Participating Subdivisions compared to the total population of all Litigating Subdivisions and of all Non Litigating Subdivisions with a population over 30,000 in the state. Must have at least 60% to get any share of Incentive C.
- "Incentive D" is 5% of the remaining funds. Incentive D is paid at the end of 5 years if the State of Ohio has had no later Litigating Subdivisions bring suit and proceed past preliminary motions in the prior 5 years.

To reach an agreement with the Distributors, our short-term goal is to have 95% of Litigating Subdivisions participate. If the 95% threshold is achieved, the floor for Ohio recovery is 70% of the estimated \$804,865,429.

Regardless of the participation level, Distributors will make the first two years' payments at 95% of the estimated \$804,865,429, with adjustments occurring in year 3 and beyond.

During the two period, our goal is to either achieve Incentive A or Incentives B & C, for a continued 95% payout.

The settlement is only open to governmental entities. Claims brought on behalf of private individuals and businesses (including third-party payers like health and welfare funds and insurers) are not included (and are not released), although individuals, businesses and payers will benefit from the Opioid Remediation funding and injunctive relief provided in the settlements.

In an effort to reduce attorney fees for the subdivisions and potentially increase recovery to the Foundation, attorneys for the subdivisions have agreed to amend OneOhio such that any attorney fees paid by the Distributors for contingency contracts and funding of the Local Government Fee Fund ("LGFF") from OneOhio will be used to satisfy contingency contracts. Previously OneOhio called for 60% of the LGFF to be utilized for common benefit assessment in the national litigation. By utilizing 100% the LGFF for the contingency fees, there becomes a greater likelihood that the LGFF will have a surplus, which, would revert to the Foundation for the benefit of all subdivisions. Any attorney or law firm receiving fees through this settlement would have their contingency fees capped at no more than a 25% and be required to waive enforcement against their client of any amounts owed in excess of fees recovered through the LGFF.

In addition to money to be used for abatement of the effects of the Opioid epidemic, the settlement provides robust injunctive relief that will require the Distributors make significant changes in the way they conduct their business. Among other changes, the Distributors must follow substantially increased and improved measures to identify suspicious orders and pharmacy customers, under the oversight of an independent third-party monitor. The Distributors each must begin using a clearinghouse that accounts not only for their own opioid shipments, but the shipments of the other distributors. This enables, for the first time, a truer picture of overall opioids distribution and requires drug distributors to alter their shipments based on the shipments by others. This clearinghouse will use the Distributors' collective data to establish pharmacy-specific opioid shipment limits that each Distributor must follow.

Finally, we ask that you review "Allocations to Ohio Municipalities" (Exhibit 5) to understand the amount of money your subdivision would receive as their direct 30% share through this proposal. Attorneys fees have already been deducted in Exhibit 5. You will note that there are two numbers listed as direct payment allocations. The lower number is the amount your subdivision is estimated to recover if we reach the short-term threshold of 95% of Litigating Subdivisions participating. This will result in a 70% payout. The higher number represents the amount your subdivision is estimated to recover if we meet Incentive A or the 100% amount your subdivision is estimated to recover if we meet Incentive A or the 100% participation level. You will also note two numbers under the heading "Foundation Regional Total" at both 70% and 100% allocation payouts. These numbers represent the total allocation to your region.

The following is an example of Region 2 at 100% allocation:

Total to Cincinnati / Hamilton Region 2: \$55,

# Base/Bonus Structure

## Base Payment – 55%

#### Option 1:

Bonus A – Legislative bar to subdivision litigation –
 40%

#### Option 2:

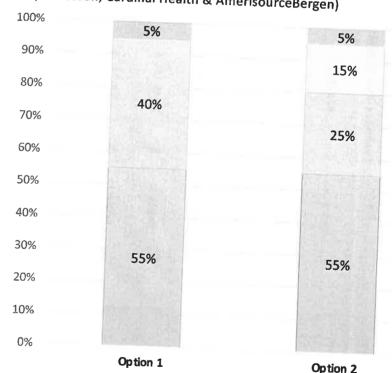
- Bonus B Sign-on of currently litigating subdivisions – up to 25%
- Bonus © Sliding scale based on sign-on by 60% or more litigating and non-litigating subdivisions with population above 30,000 – up to 15%

#### **Either Option:**

 Bonus D – Paid if no future subdivision litigation for 5 years after settlement agreement – 5%

#### **Distributors**

(McKesson, Cardinal Health & AmerisourceBergen)



Mount Healthy City         Region 18         \$ 6,726.75         \$ 3,099.65         \$ 12,019.83         \$ 12,019.33	MATED POTENTIAL SETTLEMENT AMOUNTS ONLY									
Mount Glead Village         Region 19         \$ 463.36         \$ 651.99         \$ 20,858,027.3           Mount Glead Village         Region 18         \$ 6,726.75         \$ 9,609.65         \$ 12,692,254.44         \$ 18,131,792.01           Mount Orab Village         Region 02         \$ 21,217.53         \$ 30,310.75         \$ 25,477,301.51         \$ 36,396,145.01           Mount Pleasant Tournship         Region 11         \$ 1,348.43         \$ 19,26.33         \$ 1,884,635.63         \$ 12,692,336.1           Mount Sterling Village         Region 11         \$ 224.74         \$ 321.06         \$ 8,884,635.63         \$ 12,692,336.1           Mount Vernon City         Region 18         \$ 12,996.18         \$ 18,565.96         \$ 38,120,719.54         \$ 54,458,170           Mount Victory Village         Region 18         \$ 129,182.55         \$ 184,546.50         \$ 12,692,254.44         \$ 18,131,792           Mount Victory Village         Region 10         \$ 525.52         \$ 750.74         \$ 8,538,233.53         \$ 12,197,476           Mowrystown Village         Region 105         \$ 20,412.82         \$ 29,161.18         \$ 5,829,292.48         \$ 8,327.56           Mustore Falls City         Region 10         \$ 17,827.62         \$ 25,468.04         \$ 13,152,362.77         \$ 18,789.08           Mustore Willage	Subdivision	Region	Direct Pa Subdivis	lyment to ion - 70%	Direct l Subdivi	Payment to sion - 100%	Founda	tion Regional	Found	ation Regional
Mount Gilead Village         Region 18         \$ 6,726.75         \$ 9,609.63         \$ 12,609.63         \$ 12,609.63         \$ 12,609.63         \$ 12,609.63         \$ 12,609.63         \$ 12,609.63         \$ 12,609.63         \$ 12,609.63         \$ 12,609.63         \$ 12,609.63         \$ 14,600,619.13         \$ 36,396,145.0         \$ 36,396,145.0         \$ 12,609.73         \$ 12,60	Mount Eaton Village	Region 19	\$	463.36	\$	661.95	\$ 1	8,460,697.28	\$ 2	26,372,424.69
Mount Orab Village         Region 02         \$ 21,217.53         \$ 30,310.75         \$ 23,777.505.50.77           Mount Orab Village         Region 09         \$ 121,019.28         \$ 172,884.69         \$ 14,600,619.13         \$ 20,858,027.3           Mount Pleasant Township         Region 11         \$ 1,348.43         \$ 1,926.33         \$ 8,884,635.63         \$ 12,692,336.1           Mount Sterling Village         Region 11         \$ 224.74         \$ 321.06         \$ 8,884,635.63         \$ 12,692,336.1           Mount Vernon City         Region 18         \$ 12,996.18         \$ 18,565.96         \$ 38,120,719.54         \$ 54,458,170           Mount Victory Village         Region 17         \$ 525.52         \$ 750.74         \$ 8,538,233.53         \$ 12,197,476           Mowrystown Village         Region 09         \$ 14,076.20         \$ 20,108.85         \$ 14,600,619.13         \$ 20,858,027           Munroe Falls City         Region 12         \$ 20,412.82         \$ 29,161.18         \$ 5,829,292.48         \$ 8,327,56           Murray City Village         Region 12         \$ 71,827.62         \$ 25,468.04         \$ 13,152,362.77         \$ 18,789.08           Muskingum Township         Region 12         \$ 731,384.65         \$ 1,044,835.22         \$ 6,134,324.33         \$ 8,763,3           Mutual Village	Mount Gilead Village	Region 18	\$	6,726.75	\$	9,609.65	\$ 1	.2,692,254.44	\$	18,131,792.05
Mount Orab Village         Region 09         \$ 121,019.28         \$ 172,884.69         \$ 173,884.69         \$ 172,884.69         \$ 12,692,336.4           Mount Pleasant Township         Region 11         \$ 1,348.43         \$ 1,926.33         \$ 8,884,635.63         \$ 12,692,336.4           Mount Sterling Village         Region 14         \$ 12,996.18         \$ 18,565.96         \$ 38,120,719.54         \$ 54,458,170.           Mount Vernon City         Region 18         \$ 129,182.55         \$ 184,546.50         \$ 12,692,254.44         \$ 18,131,792.           Mount Victory Village         Region 17         \$ 525.52         \$ 750.74         \$ 8,538,233.53         \$ 12,197,476.           Mowrystown Village         Region 09         \$ 14,076.20         \$ 20,108.85         \$ 14,600,619.13         \$ 20,858,02.           Munroe Falls City         Region 05         \$ 20,412.82         \$ 29,161.18         \$ 5,829,292.48         \$ 8,327,56           Murray City Village         Region 13         \$ 17,827.62         \$ 25,468.04         \$ 13,152,362.77         \$ 18,789.08           Muskingum County         Region 12         \$ 731,384.65         \$ 1,044,835.22         \$ 6,134,324.33         \$ 8,763,3           Mutual Village         Region 15         \$ 72.28         \$ 103,26         \$ 10,223,923.32         \$ 14,605,6	Mount Healthy City	Region 02	\$	21,217.53	\$	30,310.75	\$ 2	25,477,301.51	\$	36,396,145.01
Mount Pleasant Township         Region 11         \$ 1,348,43         1,926,33         5,000,000,000         5         12,692,336.           Mount Sterling Village         Region 11         \$ 224,74         \$ 321,06         \$ 8,884,635,63         \$ 12,692,336.           Mount Sterling Village         Region 14         \$ 12,996,18         \$ 18,565,96         \$ 38,120,719,54         \$ 54,458,170.           Mount Vernon City         Region 18         \$ 129,182,55         \$ 184,546,50         \$ 12,692,254,44         \$ 18,131,792.           Mount Victory Village         Region 17         \$ 525,52         \$ 750,74         \$ 8,538,233,53         \$ 12,197,476.           Mowrystown Village         Region 09         \$ 14,076,20         \$ 20,108,85         \$ 14,600,619,13         \$ 20,858,02           Munroe Falls City         Region 05         \$ 20,412,82         \$ 29,161,18         \$ 5,829,292,48         \$ 8,327,56           Murson Township         Region 13         \$ 17,827,62         \$ 25,468,04         \$ 13,152,362,77         \$ 18,789,08           Muskingum County         Region 12         \$ 731,384,65         \$ 1,044,835,22         \$ 6,134,324,33         \$ 8,763,3           Muskingum Township         Region 12         \$ 4,877,59         \$ 6,967,99         \$ 6,134,324,33         \$ 8,763,3	Mount Orab Village	Region 09	\$ 1	.21,019.28	\$	172,884.69	\$	14,600,619.13	\$	20,858,027.33
Mount Pleasant Village         Region 11         \$ 224.74         \$ 321.06         \$ 0,000,0000000000000000000000000000000	Mount Pleasant Township	Region 11	\$	1,348.43	\$ \$	1,926.33	3 \$	8,884,635.63	\$ \$	12,692,336.61
Mount Sterling Village         Region 14         \$ 12,996.18         \$ 18,565.36         3 0,245,744         \$ 18,131,792           Mount Vernon City         Region 18         \$ 129,182.55         \$ 184,546.50         \$ 12,692,254.44         \$ 18,131,792           Mount Victory Village         Region 17         \$ 525.52         \$ 750.74         \$ 8,538,233.53         \$ 12,197,476           Mowrystown Village         Region 09         \$ 14,076.20         \$ 20,108.85         \$ 14,600,619.13         \$ 20,858,022           Munroe Falls City         Region 05         \$ 20,412.82         \$ 29,161.18         \$ 5,829,292.48         \$ 8,327,56           Munson Township         Region 13         \$ 17,827.62         \$ 25,468.04         \$ 13,152,362.77         \$ 18,789,08           Murray City Village         Region 10         \$ 516.94         \$ 738.48         \$ 7,572,821.33         \$ 10,818,33           Muskingum County         Region 12         \$ 4,877.59         \$ 6,967.99         \$ 6,134,324.33         \$ 8,763,3           Mutual Village         Region 15         \$ 72.28         \$ 103.26         \$ 10,223,923.32         \$ 14,605,6           Napoleon City         Region 16         \$ 28,238.23         \$ 40,340.33         \$ 3,484,680.00         \$ 4,978,	Mount Pleasant Village	Region 11	\$	224.7	4 \$	321.00	6 \$	8,884,635.63	3 \$	12,692,336.61
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Mount Victory Village         Region 17         \$ 525.52         \$ 750.74         \$ 8,357,258           Mowrystown Village         Region 09         \$ 14,076.20         \$ 20,108.85         \$ 14,600,619.13         \$ 20,858,027           Munroe Falls City         Region 05         \$ 20,412.82         \$ 29,161.18         \$ 5,829,292.48         \$ 8,327,56           Munson Township         Region 13         \$ 17,827.62         \$ 25,468.04         \$ 13,152,362.77         \$ 18,789,08           Murray City Village         Region 10         \$ 516.94         \$ 738.48         \$ 7,572,821.33         \$ 10,818,33           Muskingum County         Region 12         \$ 731,384.65         \$ 1,044,835.22         \$ 6,134,324.33         \$ 8,763,3           Muskingum Township         Region 12         \$ 4,877.59         \$ 6,967.99         \$ 6,134,324.33         \$ 8,763,3           Mutual Village         Region 15         \$ 72.28         \$ 103.26         \$ 10,223,923.32         \$ 14,605,6           Napoleon City         Region 16         \$ 28,238.23         \$ 40,340.33         \$ 3,484,680.00         \$ 4,978,	Mount Vernon City	Region 18	\$	129,182.5	5 \$	184,546.5	50 \$	12,692,254.4	4 \$	18,131,792.05
Mowrystown Village         Region 09         \$ 14,076.20         \$ 20,108.85         \$ 14,005.00         \$ 14,076.20         \$ 20,108.85         \$ 14,005.00         \$ 14,076.20         \$ 20,108.85         \$ 14,005.00         \$ 14,076.20         \$ 20,108.85         \$ 14,005.00         \$ 20,412.82         \$ 29,161.18         \$ 5,829,292.48         \$ 8,327,56           Munson Township         Region 13         \$ 17,827.62         \$ 25,468.04         \$ 13,152,362.77         \$ 18,789.08           Murray City Village         Region 10         \$ 516.94         \$ 738.48         \$ 7,572,821.33         \$ 10,818,33           Muskingum County         Region 12         \$ 731,384.65         \$ 1,044,835.22         \$ 6,134,324.33         \$ 8,763,3           Muskingum Township         Region 12         \$ 4,877.59         \$ 6,967.99         \$ 6,134,324.33         \$ 8,763,3           Mutual Village         Region 15         \$ 72.28         \$ 103.26         \$ 10,223,923.32         \$ 14,605,6           Napoleon City         Region 16         \$ 28,238.23         \$ 40,340.33         \$ 3,484,680.00         \$ 4,978,	Mount Victory Village	Region 17	\$	525.	52 \$	750.7	74 \$	8,538,233.5	53 \$	12,197,476.47
Munroe Falls City         Region 05         \$ 20,412.82         \$ 29,161.18         3,522,362.77         \$ 18,789,08           Munson Township         Region 13         \$ 17,827.62         \$ 25,468.04         \$ 13,152,362.77         \$ 18,789,08           Murray City Village         Region 10         \$ 516.94         \$ 738.48         \$ 7,572,821.33         \$ 10,818,33           Muskingum County         Region 12         \$ 731,384.65         \$ 1,044,835.22         \$ 6,134,324.33         \$ 8,763,3           Muskingum Township         Region 12         \$ 4,877.59         \$ 6,967.99         \$ 6,134,324.33         \$ 8,763,3           Mutual Village         Region 15         \$ 72.28         \$ 103.26         \$ 10,223,923.32         \$ 14,605,6           Napoleon City         Region 16         \$ 28,238.23         \$ 40,340.33         \$ 3,484,680.00         \$ 4,978,	Mowrystown Village	Region 09	\$	14,076.	20 \$	20,108.	85 \$	14,600,619.	13 \$	20,858,027.33
Munson Township         Region 13         \$ 17,827.62         \$ 25,468.04         \$ 13,334,650         \$ 10,818,333           Murray City Village         Region 10         \$ 516.94         \$ 738.48         \$ 7,572,821.33         \$ 10,818,333           Muskingum County         Region 12         \$ 731,384.65         \$ 1,044,835.22         \$ 6,134,324.33         \$ 8,763,33           Muskingum Township         Region 12         \$ 4,877.59         \$ 6,967.99         \$ 6,134,324.33         \$ 8,763,33           Mutual Village         Region 15         \$ 72.28         \$ 103.26         \$ 10,223,923.32         \$ 14,605,63           Napoleon City         Region 16         \$ 28,238.23         \$ 40,340.33         \$ 3,484,680.00         \$ 4,978,63	Munroe Falls City	Region 05	\$	20,412	.82 \$	29,161	.18 \$	5,829,292	.48 \$	8,327,560.68
Murray City Village         Region 10         \$ 516.94         \$ 738.48         \$ 7,572,503.00           Muskingum County         Region 12         \$ 731,384.65         \$ 1,044,835.22         \$ 6,134,324.33         \$ 8,763,3           Muskingum Township         Region 12         \$ 4,877.59         \$ 6,967.99         \$ 6,134,324.33         \$ 8,763,3           Mutual Village         Region 15         \$ 72.28         \$ 103.26         \$ 10,223,923.32         \$ 14,605,6           Napoleon City         Region 16         \$ 28,238.23         \$ 40,340.33         \$ 3,484,680.00         \$ 4,978,6	Munson Township	Region 13	\$	17,827	.62 \$	25,468	.04 \$	13,152,362	.77 \$	18,789,089.68
Muskingum County         Region 12         \$ 731,384.65         \$ 1,044,835.22         \$ 0,231,384.63         \$ 8,763,3           Muskingum Township         Region 12         \$ 4,877.59         \$ 6,967.99         \$ 6,134,324.33         \$ 8,763,3           Mutual Village         Region 15         \$ 72.28         \$ 103.26         \$ 10,223,923.32         \$ 14,605,6           Napoleon City         Region 16         \$ 28,238.23         \$ 40,340.33         \$ 3,484,680.00         \$ 4,978,	Murray City Village	Region 10	\$	516	5.94 \$	738	3.48 \$	7,572,821	.33 \$	10,818,316.18
Muskingum Township         Region 12         \$ 4,877.59         \$ 6,967.99         \$ 0,134,023.02         \$ 14,605,6           Mutual Village         Region 15         \$ 72.28         \$ 103.26         \$ 10,223,923.32         \$ 14,605,6           Napoleon City         Region 16         \$ 28,238.23         \$ 40,340.33         \$ 3,484,680.00         \$ 4,978,	Muskingum County	Region 12	2 \$	731,384	4.65 \$	1,044,83	5.22 \$	6,134,324	4.33	8,763,320.48
Mutual Village  Region 15 \$ 72.28 \$ 103.26 \$ 10,223,680.00 \$ 4,978	Muskingum Township	Region 12	2 \$	4,87	7.59 \$	6,96	7.99 \$	6,134,32	4.33	\$ 8,763,320.48
Napoleon City Region 16 \$ 28,238.23 \$ 40,340.33 \$ 3,404,680.00 \$ 4,978,	Mutual Village	Region 1	.5 \$	7	2.28	\$ 10	3.26	\$ 10,223,92	3.32	\$ 14,605,604.7
- ( Tassinchin	Napoleon City	Region 1	16 \$	28,23	38.23	\$ 40,34	40.33	\$ 3,484,68	30.00	\$ 4,978,114.2
	Napole on Township	Region 1	16 \$	1,2	11.98	\$ 1,7	31.40	\$ 3,484,6	80.00	\$ 4,978,114.
Nashville Village Region 11 \$ 164.03 \$ 234.33 \$ 8,884,635.63 \$ 12,692	Nashville Village	Region	11 5	5 1	64.03	\$ 2	34.33	\$ 8,884,6	35.63	\$ 12,692,336.

Haviland Village	Regio	on	Direct Payment to Subdivision - 70%	Si	ubdivision - 100%	Average of Foundation Regional Total at 70%	Averag Foundation Total at 1	Regio
	Region 16	6	\$ 72.15	\$	103.06			
Hayesville Village	Don's v 45					3,404,080.00	\$ 4,978	,114.
Heath City	Region 19	,	\$ 126.16	\$	180.23	\$ 18,460,697.28	\$ 26,372,	,424.
11.7	Region 18	; <u>\$</u>	60,630.87	\$	86,615.53	\$ 12,692,254.44	\$ 18,131,	702 (
Hebron Village	Region 18	\$	21 207 74	_			4 10,131,	792.0
Helena Village	0	,	21,207.74	Ş	30,296.77	\$ 12,692,254.44	\$ 18,131,	792.0
Hemlock Village	Region 17	\$	76.50	\$	109.29	\$ 8,538,233.53	\$ 12,197,4	476.4
ock village	Region 12	\$	500.51	Ś	715.02	<b>6</b>		
Henrietta Township					713.02	6,134,324.33	\$ 8,763,3	20.4
Henry County	Region 19	\$	659.18	\$	941.68	18,460,697.28	\$ 26,372,4	24.6
	Region 16	\$	153,664.08	\$	219,520.12 \$	3,484,680.00		
Hicksville Township	Region 16	<u>,</u>			•	0,404,080.00	4,978,12	14.29
Hicksville Village	Megion 10	\$	295.63	5	422.33 \$	3,484,680.00 \$	4,978,11	14.29
Higgins and Yill	Region 16	\$	10,891.67 \$	;	15,559.52 \$	3,484,680.00 \$	4,978,11	4 20
Higginsport Village	Region 09	\$	2,237.25 \$		2.405.00		1,010,11	4.23
Highland County			-,407.25 Ş		3,196.07 \$	14,600,619.13 \$	20,858,02	7.33
Highland Heights City	Region 09	\$	547,506.71 \$		782,152.45 \$	14,600,619.13 \$	20,858,027	7.33
•	Region 03	\$	31,705.76 \$		45,293.95 \$	10,014,097.95 \$		
Highland Hills Village	Davi on (				т-у-20.33	10,014,097.95 \$	14,305,854	.22
lighland Township   DEFIANCE COUNTY	Region 03	\$	2,222.91 \$		3,175.59 \$	10,014,097.95 \$	14,305,854	.22
	Region 16	\$	3,858.76 \$		5,512.52 \$	3,484,680.00 \$	4,978,114.	20
lighland Township   MUSKINGUM COUNTY	Region 12	\$	240.45				¬, > / 0, 114.	.29
lighland Village	J	•	240.45 \$		343.50 \$	6,134,324.33 \$	8,763,320.	48
illiard City	Region 09	\$	95.54 \$		136.49 \$	14,600,619.13 \$	20,858,027.3	33
	Region 01	\$	70,522.44 \$	10	00,746.34 \$	20 845 555		
lls And Dales Village			•	_		30,845,669.85 \$	44,065,242.6	54
	Region 06	\$	855.83 \$		1,222.62 \$	7,329,523.03 \$	10,470,747.1	۵

## **National Opioid Settlement**

# Frequently Asked Questions about the National Opioid Settlement [Subject to ongoing corrections and updates]

## 1. Which Entities Are Eligible to Participate?

These settlements are open only to states and subdivisions. Claims brought on behalf of private individuals and businesses (including private hospitals and private third-party payers) are not included (and will not be released).

All states may participate in the J&J settlement and all states except West Virginia may participate in the Distributors settlement.[1] Washington DC and the five U.S. Territories[2] are treated as states in the settlements. Within a settling state, political subdivisions may participate, including all county, municipal, and township governments and any other subdivision that has filed a lawsuit that falls within the release provisions of the agreements. "Special Districts" such as school districts, fire districts, and hospital districts also may participate (with certain limitations).[3] Subdivisions and Special Districts in non-settling states cannot participate in the settlements.[4] Subdivisions and Special Districts that separately resolved their claims with the Distributors or J&J prior to the Reference Date (explained below) also cannot participate.

Each settling state, subdivision, or Special District must provide a release to participate. (The settlements also incentivize states to obtain legislative or judicial bars on subdivisions and Special Districts suing on claims otherwise encompassed in the settlement. Even if a settling state has obtained a bar, however, a subdivision must provide a release of its own to participate and be eligible for designated subdivision settlement funds.)

## 2. What Funds Will Be Available for Abatement?

About \$23.5 billion of the maximum \$26 billion would be available to be paid out in settlement proceeds for abatement, if there is full participation in the settlement. About \$760 million of that is set aside as a credit towards potential settlements with the Tribes and certain subdivisions, leaving a "net abatement" settlement fund of about \$22.8 billion. Each of the Distributors will make annual

payments consisting of base and incentive payments (described below). Each of the Distributors and J&J will make annual payments consisting of base and incentive payments (described below).[5] Approximately half of settlement funds are earmarked for base payments. The remaining funds are earmarked for incentive payments determined on a state-by-state basis depending on whether certain benchmarks are met.[6]

## 3. How Will Settlement Proceeds Be Used?

The parties intend that the "net abatement" settlement proceeds shall be used for opioid remediation, and have agreed that at least 85% of the "net abatement" proceeds shall be used for opioid remediation.[7] At least 70% of the funds are to be used to fund future opioid-remediation efforts. The agreement includes a broad and non-exhaustive list of qualifying opioid remediation expenditures.[8]

# 4. What Is the Process to Opt In and What Are the Deadlines to Do So?

There are three phases before either settlement becomes effective. And there are opportunities to walk away if there is not enough "critical mass" to make settlement worth continuing. The settlements are designed to incentivize higher participation rates.

<u>Phase 1, State Participation</u>: Each state will have 30 days to decide whether to participate in the settlements. The Distributors and J&J then each have up to 14 days to decide whether, in their view, there is enough "critical mass" to proceed to the next phase of the respective settlements.

<u>Phase 2, Subdivision Participation</u>: In phase 2, the subdivisions in each settling state will have 120 days to decide whether to participate in the settlements (the "Initial Participation Date"). The Distributors and J&J each then have 30 days to again decide whether there is enough "critical mass" to proceed with the respective settlements (the "Reference Date").

<u>Phase 3, Consent Judgments and Effective Date</u>: The Effective Date for the settlements is 60 days after the Reference Date. During that time, each settling state will seek entry of a consent judgment to implement releases and injunctive relief. No settlement funds will be disbursed to a settling state unless a consent judgment has been entered.

<u>Later Participation</u>: States may join the settlements after the Initial Participation Date only with the consent of the Distributors/J&J. Subdivisions of settling states may sign on and participate after the Initial Participation Date ("Later Participating Subdivisions"), but may receive lower total payments than those that join earlier. If a state joins after the 30-day state cutoff, the subdivisions in that state

will be given 90 days from the date the state joins.

## 5. How Will Settlement Funds Be Allocated Within a State?

Settlement proceeds will be allocated among three subfunds for each settling State: a State Fund, an Abatement Accounts Fund, and a Subdivision Fund. There are several important points to observe with respect to three subfunds:

- The settlement agreements provide default allocations among the subfunds (15% to the State Fund, 70% to the Abatement Accounts Fund, and 15% to the Subdivision Fund). These defaults can be changed state-by-state through a qualifying agreement between a state and its subdivisions, or by a qualifying statute or statutory trust.[9]
- Under the default, at least 50% of the annual spend from the Abatement Accounts Fund must be allocated at a <u>regional</u> Each settling state will have an Advisory Committee—with equal representation from the state and local levels—to recommend how to spend the Abatement Accounts Fund.[10]
- Certain participating subdivisions also will be eligible to receive block grants from the Abatement Accounts Fund.
- A settling state also is free to direct all or a portion of its State Fund to its Abatement Accounts
   Fund. A settling subdivision also may choose to direct all or a portion of its Subdivision Fund to the
   State's Abatement Accounts Fund or to another settling subdivision.

# 6. How Much Will a Settling State Receive in Base Payments?

Approximately \$12.1 billion in abatement funds would be available for base payments to settling states. These base payments do not require a settling state to meet any specific participation benchmarks or conditions. Base payments will be paid out annually for distribution to each settling state according to its share of the abatement funds using the top-level state allocation model discussed below. Each state's base payment is then allocated into the three sub-funds or according to a state-subdivision agreement, as explained below.

## 7. How Much Can a State Receive in Incentive Payments?

Approximately \$10.6 billion in abatement funds would be earmarked for "Incentive Payments" designed to reward states for increasing participation in the settlements by their subdivisions and/or taking steps to bar or otherwise resolve current and future subdivision litigation. States can qualify for four different Incentive Payments: Incentive Payments A-D. In years 1 and 2, each settling state will receive Incentive Payment A automatically and no other Incentive Payment. While the Incentive

Payments under the Distributors' agreement and J&J's agreement are similar, there are differences in how they operate and when they accrue.

# 8. <u>How Will Payments Be Calculated? How Will Payments Be Allocated Among the Settling States and Subdivisions?</u>

If the proposed settlements become effective, each of the Distributors and J&J would make annual payments consisting of base and incentive payments (described above). (J&J also will make an "initial payment" of base and incentive payments.). Calculation of the amounts distributed to each settling state (including the state and its settling subdivisions) starts with a top level allocation among all states of the maximum potential payment. How much of that maximum amount each state will receive in any given year is then based on (a) which Incentive Payment categories that state qualifies for that year; and (b) whether amounts otherwise payable are suspended due to litigation by non-settling subdivisions within a settling state and whether any offsets are taken against amounts otherwise payable, based on judgments in favor of non-settling subdivisions. Once the annual payment for a state is calculated, the further allocation of that state's payment among that state's Abatement, State, and Subdivision Funds proceeds as outlined above.

## 9. How Will the State-Level Allocations Be Made?

For purposes of the top level maximum potential allocation discussed above, an Overall Allocation Percentage has been calculated for each state. The Overall Allocation Percentage is a blend (85%/15%) of sub-percentages calculated at both the state and subdivision levels.

The sub-percentages for each state are based principally on population. The sub-percentages for each subdivision were calculated based on each subdivision's proportionate share of the nationwide impact of the Opioid epidemic using reliable, detailed, and objective national data, including (1) the amount of opioids shipped to the state; (2) the number of opioid-related deaths that occurred in the state; and (3) the number of people who suffer opioid use disorder in the state. Adjustments were made to reflect the severity of impact because the oversupply of opioids had more deleterious effects in some locales than in others. Ultimately, the model allocates settlement funds in proportion to where the opioid crisis has caused harm.

## 10. How Do "Tiers" Affect Payments?

There would be four possible Tiers applicable to the agreements; the more states and subdivisions that participate, the higher the Tier. The Tiers impact the extent to which payments can be suspended or offset due to litigation.

Under the Distributors' agreement, and subject to certain exceptions, the Tiers would determine (a) the circumstances and periods under which litigation by Later Litigating Subdivisions will trigger a suspension of a portion of a state's annual payment, (b) the per capita rate used to calculate the suspension amounts, (c) the annual per state cap on suspension amounts, and (d) the annual per state cap on offsets for certain monetary judgments in favor of non-settling subdivisions.

Under J&J's agreement, the Tiers would affect the circumstances under which litigation by non-settling subdivisions will trigger a suspension of a portion of a state's base and incentive payments.

# 11. <u>Can Settlement Payments Be Suspended? Can a Defendant Take an Offset Against a Settlement Payment?</u>

Yes, if the settlements become effective, portions of a settling state's payments could be held in suspension and/or offset under specified circumstances concerning litigation by its subdivisions.

A central goal of the proposed settlements is to shift the focus from litigation to getting Opioid abatement funds to states and subdivisions. With that goal in mind, portions of the payments to each state may be subject to "suspension" (i.e., placed in escrow) in the event certain subdivisions bring or expand litigation against the Distributors or J&J after the Reference Date, if the litigation continues past specified suspension deadlines. The suspension deadlines are determined by the applicable participation Tier (the higher the Tier, the less onerous the suspension deadline). Dollar-for-dollar "offsets" also may be taken if certain subdivisions obtain judgments that require payments by the Distributors or J&J.

# Will There Be a Grace Period During Which Payments Will Not Be Subject to Suspension?

Yes. Under the Distributors' agreement, suspensions will not be applicable to <u>any</u> settling state's annual payments during the first two payment years and, in payment years 3-18, suspensions are not applicable to the annual payment of any state that is eligible for Incentive Payment A (see above) in that year. Other exceptions would apply, including claims for less than \$10 million and (when Tier 1 applies) claims by subdivisions of fewer than 10,000 people.

Under J&J's agreement, the suspension will not affect base payments in years 1-7. The suspension would affect only Incentive Payments A-D in any year and base payments in the last two payment years.

# 12. Will the Settlements Require Any Change to How the Defendants Operate Their Businesses?

In addition to billions of dollars to be used for abatement of the effects of the Opioid epidemic in communities across the nation, the proposed settlements would provide robust injunctive relief that will require the Distributors and J&J to make significant changes in the way they conduct their business in order to address the Opioid epidemic on the <u>supply</u> side as well. Among other changes, the Distributors must follow substantially increased and improved measures to identify suspicious orders and pharmacy customers, under the oversight of an independent third-party monitor. The Distributors each would be required to begin using a clearinghouse that accounts not only for their own opioid shipments, but the shipments of the other distributors. This enables, for the first time, a truer picture of overall opioids distribution and requires drug distributors to alter their shipments based on the shipments by others. This clearinghouse will use the Distributors' collective data to establish pharmacy-specific opioid shipment limits that each Distributor must follow.

As for J&J, which no longer markets or sells Opioids, the company and its subsidiaries (including Janssen) would agree not to reintroduce any Opioids for a 10-year period. This prohibition would extend to the manufacture, sale, promotion, and distribution of any opioid products as well as any lobbying relating to prescription opioids. J&J has also would agree to make the clinical trial data for its discontinued opioid products available for medical research via the Yale University Open Data Access Project.

## 13. How Will Attorneys' Fees and Costs Be Addressed?

The overarching goal of this global settlement is to dedicate funds to abate opioid-related harms. If private lawyers representing the states and thousands of subdivisions were to enforce their contingency fee contracts, a significant portion of the global settlement payments would go towards legal fees to compensate efforts to prosecute the lawsuits that are being resolved as to the Distributors and J&J. As a result, the government entities that hired counsel to litigate against the Distributors and J&J would net less proportional recovery than entities that did not litigate, even though it was this active state and subdivision litigation that led to this historic settlement. To guard against this imbalance and maximize the amounts available for abatement, the negotiating State Attorneys General, the PEC's Negotiation Team, and the settling defendants have proposed to agree that these defendants will pay, and the parties will set aside, separate funds totaling a maximum of \$1.95 billion to pay private counsel attorneys' fees.

These funds would include \$350 million for outside counsel representing participating states and about \$1.6 billion for outside counsel representing participating subdivisions. The \$350 million state fund would be allocated by agreement between the states and their outside counsel.

# 14. How will more information on the settlements be made available?

Settlement documents, information, and updates will be posted on a public settlement website, https://nationalopioidsettlement.com/. The website will provide current information on an ongoing basis as the settlement implementation progresses.

- [1] West Virginia previously settled with the Distributors in an unrelated settlement. A portion of the Distributors' settlement funds is treated as a credit toward potential settlements with West Virginia subdivisions and with Tribes. For J&J's agreement, a portion of the settlement funds is treated as a credit for Oklahoma, non-settling government entities and the Tribes. Settlement payments by the Distributors and J&J are calculated as net after those credits.
- [2] American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands.
- [3] Special Districts are treated as subdivisions under the Distributor agreement. The J&J agreement defines Special Districts separately from subdivisions, but still allows them to participate in the settlement by signing release forms.
- [4] There is one exception in the J&J settlement agreement: subdivisions of the State of Oklahoma, whose litigated claims against J&J are the subject of an appeal pending in the Oklahoma Supreme Court, are eligible to participate in the J&J settlement whether or not the State elects to participate.
- [5] J&J's base and incentive payments are front-loaded, with about 80% coming in the first three years and the rest over the next six years. The Distributors' payments are spread over 18 years.
- [6] In the Distributors' agreement, 55% of the payments are earmarked as base payments. In the J&J agreement, 45% of the payments are earmarked as base payments.
- [7] If settlement proceeds are used for something other than Opioid Remediation, the amounts and uses (including any use to pay attorneys' fees and costs) must be publicly reported.
- [8] If settlement proceeds are used for something other than Opioid Remediation, the amounts and uses (including any use to pay attorneys' fees and costs) must be publicly reported.
- [9] Allocation agreements/statutes have already been reached or enacted in several states.
- [10] Spending from the Abatement Allocation Account Fund will be tracked and reported annually.

#### UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF OHIO EASTERN DIVISION

## IN RE NATIONAL PRESCRIPTION OPIATE LITIGATION

This document relates to:

All actions

MDL No. 2804

Case No. 17-md-2804

Judge Dan Aaron Polster

# CASE MANAGEMENT ORDER APPLICABLE TO CASES OF "NON-PARTICIPATING SUBDIVISIONS" ASSERTING CLAIMS AGAINST SETTLING DEFENDANTS

Defendants McKesson Corporation, Cardinal Health, Inc., AmerisourceBergen Corporation, and Johnson & Johnson¹ (collectively, "Settling Defendants") have announced global settlements with "Participating Subdivisions," subject to sign-on periods and final approvals by the Parties. The Court now enters this Case Management Order ("CMO") making clear it will lift in part the stay issued by this Court in its April 11, 2018 Case Management Order One (docket no. 232). As set forth below, the stay will no longer apply to the extent that, beginning in approximately six months, each Non-Participating Subdivision that is litigating a case in the MDL shall be required to comply with this CMO. The stay shall remain in effect with respect to all other

<sup>&</sup>lt;sup>1</sup> For purposes of this Order, references to Johnson & Johnson include all of its present and former affiliated companies named as defendants in MDL cases, including Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., Janssen Pharmaceutica, Inc., Noramco, Inc., and Tasmanian Alkaloids Pty. Ltd.

<sup>&</sup>lt;sup>2</sup> Any capitalized terms used but not otherwise defined in this CMO shall have the same meaning as in the Distributor Settlement Agreement, including those terms defined in Exhibit R of the Distributor Settlement Agreement. For the avoidance of doubt, the term Distributor Settlement Agreement refers to the Settlement Agreement, dated July 21, 2021, entered into between and among the Settling States, Settling Distributors, and Participating Subdivisions (as those terms are defined therein). Essentially, a "Non-Participating Subdivision" is simply an eligible Subdivision that chooses not to participate in the Settlement Agreements.

litigation activity (including discovery) until authorized by a subsequent CMO to be issued at an appropriate time after full compliance with this CMO.

This CMO applies to MDL cases already filed by any Non-Participating Subdivision, and also to cases brought by a Non-Participating Subdivision that are newly filed in, removed to, or transferred to the MDL after the entry of this CMO (collectively, "NPS Cases"). In all such NPS Cases, the Court orders as follows.

The parties' global settlements were announced on July 21, 2021, and they contain various contingencies such that a final determination of which entities are Participating Subdivisions and which are Non-Participating Subdivisions will not become final until approximately February 1, 2022 (the "Determination Date"). Accordingly, this CMO becomes effective in each MDL case filed by a Non-Participating Subdivision on the later of these two dates: (a) the Determination Date; or (b) the date thirty (30) days after the Non-Participating Subdivision's case is filed in, removed to, or transferred to the MDL, if such date is after the Determination Date (collectively, the "CMO Effective Date").

- I. Every Non-Participating Subdivision shall comply with all requirements of this Court's June 19, 2018 Fact Sheet Implementation Order (docket no. 638), including the production of documents and information required by the Plaintiff Fact Sheet. In addition, to the extent necessary to make all information in a Fact Sheet current, every Non-Participating Subdivision shall complete, execute and serve an *updated* Plaintiff Fact Sheet within sixty (60) calendar days of the CMO Effective Date, including production of additional documents as necessary.
  - II. Within ninety (90) calendar days of the CMO Effective Date:
  - (A) Each Non-Participating Subdivision shall serve on Settling Defendants a document identifying with specificity, based on facts known or reasonably available to it at the time, the

following: (1) the nature and amount of all damages or other relief sought, including alleged abatement or civil penalties; (2) a computation of any monetary relief sought, including alleged abatement, and the basis for the amounts included in that computation; (3) as to claims for past expenditures, whether the alleged amounts were paid or reimbursed through a grant, insurance, or other third-party source; and (4) as to any claim involving future expenditure of money, including expenditures for the provision of services, the entities that will make the expenditures, when and how long those entities will make the expenditures, and the nature and amount of the expenditures, including how they will address any and all alleged harms.

- (B) Each Non-Participating Subdivision seeking any form of relief based directly or indirectly upon opioid orders that Non-Participating Subdivisions contend the Settling Defendants should not have shipped, pursuant to a suspicious order regulation or alleged common law duty related to suspicious orders, shall serve on Settling Defendants a document identifying: (1) those opioid orders that are within their current knowledge (including the date of the order, the product(s) ordered, and the quantity ordered); (2) the distributor, pharmacy, other dispensing entity, or other entity that placed each such order; and (3) the Non-Participating Subdivision's basis for identifying the orders, including any sources relied upon and algorithms used.
- (C) Each Non-Participating Subdivision shall additionally produce all non-privileged documents relied upon in identifying or calculating the claimed relief.
- (D) Any Non-Participating Subdivision that intends to proffer one or more expert opinions to identify or substantiate the relief sought shall identify its experts and provide a detailed summary of each expected report, including all pertinent calculations and identification of sources relied upon.
- III. Within one hundred twenty (120) calendar days of the CMO Effective Date:

- (A) Each Non-Participating Subdivision shall complete and serve an affidavit signed by the Non-Participating Subdivision and its counsel attesting that the Non-Participating Subdivision has complied with all requirements of the MDL Court's Fact Sheet Implementation Order and with all other requirements of this CMO, including the requirements for production of documents.
- IV. If a Non-Participating Subdivision has not timely completed and served the affidavit described above, any Settling Defendant may send the Non-Participating Subdivision a deficiency letter. If, after thirty (30) calendar days of the date a deficiency letter was sent, the Non-Participating Subdivision has not cured the relevant defects in compliance with the MDL Court's Fact Sheet Implementation Order and this CMO, any Settling Defendant may request a show cause hearing before the MDL Court as to why the Non-Participating Subdivision's claims should not be dismissed with prejudice or any other appropriate relief should be granted.
  - V. Nothing in this CMO prohibits, or suspends the obligation of, timely supplementation or amendment of any information supplied based on subsequently-obtained knowledge or factual information that the Non-Participating Subdivision did not have access to and could not reasonably have obtained for inclusion in the required disclosures. This opportunity to supplement does not relieve each Non-Participating Subdivision of its responsibility to comply with this CMO fully and completely on the basis of information within its possession or that reasonably can be obtained at the time it is first required to comply.
    - VI. Because the goal of the multidistrict litigation statute is to avoid needless duplication of effort and expense, nothing in this CMO prevents reasonable access by each Non-Participating Subdivision to the work product of the PEC. Case-specific discovery obligations for the production of data and information, consistent with those imposed by the Court on the parties in

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all of its prior discovery Orders of general application, will apply to all NPS cases. All parties in

NPS cases must familiarize themselves with all prior MDL discovery orders of general application.

After discovery in NPS cases is authorized by a subsequent CMO, the parties shall conduct

discovery as appropriate under the Federal Rules of Civil Procedure. Nothing in this Order relieves

any party of its prior or ongoing discovery and production obligations under other Orders of this

Court.

IT IS SO ORDERED.

/s/ Dan Aaron Polster

DAN AARON POLSTER

UNITED STATES DISTRICT JUDGE

Dated: July 23, 2021

### OneOhio Subdivision Participation Form

	State: Ohio		
Governmental Entity: City of Napoleon			
Authorized Official: City Law Director			
Address 1: PO Box 151			
Address 2: 255 West Riverview Avenue			
City, State, Zip: Napoleon, OH 43545			
Phone: (419) 592-3503			
Email: bharmon@napoleonohio.com			

The governmental entity identified above ("Governmental Entity"), in order to obtain and in consideration for the benefits provided to the Governmental Entity consistent with the material terms of the National Settlement Agreement dated July 21, 2021 ("National Distributor Settlement"), and acting through the undersigned authorized official, hereby elects to participate in the material terms of the National Settlement Agreement Distributor Settlement, release all Released Claims against all Released Entities, and agrees as follows.

- 1. The Governmental Entity is aware of and has reviewed the National Distributor Settlement, understands that all terms in this Participation Form have the meanings defined therein, and agrees that by signing this Participation Form, the Governmental Entity elects to participate consistent with the material terms of the National Distributor Settlement and become a Participating Subdivision as provided therein pursuant to the terms of the final OneOhio Memorandum of Understanding dated July 28, 2021.
- The Governmental Entity's election to participate is specifically conditioned on participation by 95% or more of the Litigating Subdivisions in Ohio. Should less than 95% of the Litigating Subdivisions in Ohio participate, this election shall be deemed void and no claims shall be released.
- 3. The Governmental Entity shall, prior to the filing of the Consent Judgment, secure the dismissal with prejudice of any Released Claims that it has filed.
- 4. The Governmental Entity agrees to the material terms of the National Distributor Settlement pertaining to Subdivisions as defined therein.
- By agreeing to the material terms of the National Distributor Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
- 6. The Governmental Entity agrees to use any monies it receives through the material terms of the National Distributor Settlement solely for the purposes provided therein.

- 7. The Governmental Entity submits to the jurisdiction of the Madison County Court of Common Please where the Consent Judgment is filed for purposes limited to the court's role as provided in, and for resolving disputes to the extent provided in, the material terms of the National Distributor Settlement Agreement. If the National Distributor Settlement is finalized, the Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in the National Distributor Settlement.
- 8. The Governmental Entity has the right to enforce the material terms of the National Distributor Settlement as provided therein.
- 9. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the material terms of the National Distributor Settlement, including, but not limited to, all provisions of Part XI, and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the material terms of the National Distributor Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The material terms of National Distributor Settlement shall be a complete bar to any Released Claim.
- 10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision consistent with the material terms of the National Distributor Settlement.
- 11. In connection with the releases provided for in the material terms of the National Distributor Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

**General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by

him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the material terms of the National Distributor Settlement.

12. Nothing herein is intended to modify in any way the terms of the material terms of the National Distributor Settlement to which Governmental Entity hereby agrees, with the exception of the requisite Litigating Government participation level. If the National Settlement becomes effective by July 1, 2022 its terms will supersede the terms of the Ohio Settlement Agreement and will control with regard to all provisions except for Dismissal of Claims as set forth in the Ohio Settlement Agreement. If it is not effective by July 1, 2022, the Ohio Specific Distributor Settlement will control. To the extent this Participation Form is interpreted differently from the Ohio Specific Distributor Settlement in any respect, the Ohio Specific Distributor Settlement controls.

I have all necessary power and authorization to execute this Participation Form on behalf of the Governmental Entity and have been afforded the opportunity to review this matter with counsel.

Signature:	
Name:	Billy D. Harmon
Title:	City Law Director
Date:	

## ONE OHIO MEMORANDUM OF UNDERSTANDING

Whereas, the people of the State of Ohio and its communities have been harmed by misfeasance, nonfeasance and malfeasance committed by certain entities within the Pharmaceutical Supply Chain; and,

Whereas, the State of Ohio, though its Attorney General, and certain Local Governments, through their elected representatives and counsel, are separately engaged in litigation seeking to hold Pharmaceutical Supply Chain Participants accountable for the damage caused by their misfeasance, nonfeasance and malfeasance; and,

Whereas, the State of Ohio, through its Governor and Attorney General, and its Local Governments share a common desire to abate and alleviate the impacts of that misfeasance, nonfeasance and malfeasance throughout the State of Ohio;

Now therefore, the State and its Local Governments, subject to completing formal documents effectuating the Parties' agreements, enter into this Memorandum of Understanding ("MOU") relating to the allocation and use of the proceeds of Settlements described.

#### A. Definitions

As used in this MOU:

- 1. "The State" shall mean the State of Ohio acting through its Governor and Attorney General.
- 2. "Local Government(s)" shall mean all counties, townships, cities and villages within the geographic boundaries of the State of Ohio.
- 3. "The Parties" shall mean the State of Ohio, the Local Governments and the Plaintiffs' Executive Committee of the National Prescription Opiate Multidistrict Litigation.
- 4. "Negotiating Committee" shall mean a three-member group comprising one representative for each of (1) the State; (2) the Plaintiffs' Executive Committee of the National Prescription Opiate Multidistrict Litigation ("PEC"); and (3) Ohio Local Governments (collectively, "Members"). The State shall be represented by attorney Joe Rice or his designee. Ohio Local Governments shall be represented by attorney Frank Gallucci, or attorney Russell Budd or their designee.
- 5. "Settlement" shall mean the negotiated resolution of legal or equitable claims against a Pharmaceutical Supply Chain Participant when that resolution has been jointly entered into by the State, PEC and the Local Governments.

- 6. "Opioid Funds" shall mean monetary amounts obtained through a Settlement as defined in this Memorandum of Understanding.
- 7. "Approved Purpose(s)" shall mean evidence-based forward-looking strategies, programming and services used to (i) expand the availability of treatment for individuals affected by substance use disorders, (ii) develop, promote and provide evidence-based substance use prevention strategies, (iii) provide substance use avoidance and awareness education, (iv) decrease the oversupply of licit and illicit opioids, and (v) support recovery from addiction services performed by qualified and appropriately licensed providers, as is further set forth in the agreed Opioid Abatement Strategies attached as Exhibit A. For purposes of the Local Government Share, "Approved Purpose(s)" will also include past expenditures.
- 8. "Pharmaceutical Supply Chain" shall mean the process and channels through which Controlled Substances are manufactured, marketed, promoted, distributed or dispensed.
- 9. "Pharmaceutical Supply Chain Participant" shall mean any entity that engages in or has engaged in the manufacture, marketing, promotion, distribution or dispensing of an opioid analgesic.

### B. Allocation of Settlement Proceeds

- 1. All Opioid Funds shall be divided with 30% going to Local Governments ("LG Share"), 55% to the Foundation (structure described below) ("Foundation Share"), and 15% to the Office of the Ohio Attorney General as Counsel for the State of Ohio ("State Share").
- 2. All Opioid Funds, regardless of allocation, shall be utilized in a manner consistent with the Approved Purposes definition. The LG Share may also be used for past expenditures so long as the expenditures were made for purposes consistent with the remaining provisions of the Approved Purposes definition. Prior to using any portion of the LG Share as restitution for past expenditures, a Local Government shall pass a resolution or take equivalent governmental action that explains its determination that its prior expenditures for Approved Purposes are greater than or equal to the amount of the LG Share that the Local Government seeks to use for restitution.
  - 3. The division of Opioid Funds paid to Local Governments participating in an individual settlement shall be based on the allocation created and agreed to by the Local Governments which assigns each Local Government a percentage share of Opioid Funds. The allocations are set forth in Exhibit B. With respect to Opioid Funds, the allocation shall be static.
  - 4. In the event a Local Government merges, dissolves, or ceases to exist, the allocation percentage for that Local Government shall be redistributed equitably based on the

composition of the successor Local Government. If a Local Government for any reason is excluded from a specific settlement, the allocation percentage for that Local Government shall be redistributed equitably among the participating Local Governments.

- 5. If the LG Share is less than \$500, then that amount will instead be distributed to the county in which the Local Government lies to allow practical application of the abatement remedy.
- 6. Funds obtained from parties unrelated to the Litigation, via grant, bequest, gift or the like, separate and distinct from the Litigation, may be directed to the Foundation and disbursed as set forth below.
- 7. The LG Share shall be paid in cash and directly to Local Governments under a settlement or judgment, or through an administrator designated in the settlement documents who shall hold the funds in trust in a segregated account to benefit the Local Governments to be promptly distributed as set forth herein.
- 8. Nothing in this MOU should alter or change any Local Government's rights to pursue its own claim. Rather, the intent of this MOU is to join all parties to seek and negotiate binding settlement or settlements with one or more defendants for all parties within Ohio.
- 9. Opioid Funds directed to the Foundation shall be used to benefit the local community consistent with the by-laws of the Foundation documents and disbursed as set forth below.
- 10. The State of Ohio and the Local Governments understand and acknowledge that additional steps should be undertaken to assist the Foundation in its mission, at a predictable level of funding, regardless of external factors.
- 11. The Parties will take the necessary steps to ensure there is the ability of a direct right of action under the expedited docket rules to the Ohio Supreme Court relative to any alleged abuse of discretion by the Foundation.

## C. Payment of Counsel and Litigation Expenses

- 1. The Parties agree to establish a Local Government Fee Fund ("LGFF") to compensate counsel for Local Governments if the Parties cannot secure the separate payment of fees and associated litigation expenses for their counsel from a settling entity.
- 2. The LGFF shall be calculated by taking 11.05% of the total monetary component of any settlement accepted ("LGFF Amount"). Fees related to product or other items of value shall be addressed case by case.

- 3. The first 45% of the LGFF amount shall be drawn from the LG Share. The remaining 55% shall be drawn from the Foundation Share. No portion of the LGFF Amount may be assessed against or drawn from the State Share.
- 4. To the extent the Parties can secure the separate payment of fees and associated litigation expenses from a settling entity, the amount to be drawn for the LGFF will be proportionally reduced.
- 5. This LGFF Amount will be deposited into the LGFF and shall be utilized for purposes of satisfying Local Government contingent fee contracts. In the absence of a National Prescription Opiate MDL settlement with any defendant settling through this One Ohio Memorandum of Understanding, the LGFF may be subject to a common benefit assessment. In the event of a common benefit assessment, the assessment shall be paid from the LGFF and in no instance shall an assessment cause the LGFF to be more than 11.05% of the total monetary component of any settlement accepted. In no instance shall any assessment be collected from the State Share, Foundation Share or Local Government Share.
- 6. Local Government contingent fee contracts shall be capped at 25% or the actual contract rate whichever is less. Eligible contingent fee contracts shall be executed as of March 6, 2020 and subject to review by the committee designated to oversee the Local Government Fee Fund.
- 7. Common Benefit awards will be coordinated as set forth in the M.D.L. Common Benefit Fee Order. Expenses will be addressed consistent with the manner utilized in the M.D.L.
- 8. Any balance left in the LGFF following the payment of fees shall revert to the Foundation.
- 9. Any attorney fees related to representation of the State of Ohio shall not be paid from the LGFF but paid directly from the State Share or through other sources.

#### D. The Foundation

- 1. The State of Ohio will be divided into 19 Regions (See attached Exhibit C). Eight of the regions will be single or two county metropolitan regions. Eleven of the regions will be multi-county, non-metropolitan regions.
- 2. Each Region shall create their own governance structure so it ensures all Local Governments have input and equitable representation regarding regional decisions including representation on the board and selection of projects to be funded from the region's Regional Share. The Expert Panel (defined below) may consult with and may make recommendations to Regions on projects to be funded. Regions shall have the responsibility to make decisions that will allocate funds to projects that will equitably serve the needs of the entire Region.

3. The Parties shall create a private 501(c)(3) foundation ("Foundation") with a governing board ("Board"), a panel of experts ("Expert Panel"), and such other regional entities as may be necessary for the purpose of receiving and disbursing Opioid Funds and other purposes as set forth both herein and in the documents establishing the Foundation. The Foundation will allow Local Governments to take advantage of economies of scale and will partner with the State of Ohio to increase revenue streams.

#### 4. Board Composition

- a. The Board will consist of 29 members comprising representation from four classes:
  - Six members selected by the State (five selected by the Governor and one selected by the Attorney General);
  - Four members drawn from the Legislature
    - One representative selected by the President of the Ohio Senate;
    - One representative selected by the Ohio Senate Minority Leader;
    - One representative selected by the Speaker of the Ohio House of Representatives; and,
    - One representative selected by the Ohio House Minority Leader
  - Eleven members with one member selected from each nonmetropolitan Regions; and
  - Eight members, with one member selected from each metropolitan Regions.
- b. All board members shall serve as fiduciaries of the Foundation as required by Ohio Revised Code § 1702.30(B) governing directors of nonprofit corporations.
- 5. Board terms will be staggered. Five members, (one from each of the first three classes above, and two from the metropolitan class) will be appointed for an initial three-year term, eight members of the Board (two from the first class, including the Attorney General's representative, one from the second class, four from the third class, and one from the fourth class) will be appointed for an initial term of one

- year. The remaining members will be appointed for a two-year term. Board members may be reappointed. All subsequent terms will be for two years.
- 6. Eighteen members of the Board shall constitute a quorum. Members of the Board may participate in meetings by telephone or video conference or may select a designee to attend and vote if the Board member is unavailable to attend a board meeting.
- 7. In all votes of the Board, a measure shall pass if a quorum is present, the measure receives the affirmative votes from a majority of those board members voting, and at least one member from each of the four classes of Board members votes in the affirmative.
- 8. The Foundation shall have an Executive Director appointed by the Governor.
  - a. The Governor shall appoint the Executive Director at his or her discretion from a list of three candidates provided to the Governor by the Board. If the Governor finds all three candidates to be unsatisfactory, the Governor may reject all three candidates and request the Board to provide three new persons to select from.
  - b. In choosing candidates to be submitted to the Governor, the Board shall seek candidates with at least six (6) years of experience in addiction, mental health and/or public health and who shall have management experience in those fields.
  - c. No funds derived from the Foundation Share shall be used to pay the Executive Director or any of the foundation staff in excess of the maximum range (range 42) of the Department of Administrative Services Exempt Schedule E2 or that schedule's successor.
  - d. The Executive Director shall serve as an ex officio, non-voting member of both the Board and the Expert Panel.
  - 9. The Board shall appoint the Expert Panel. The Expert Panel shall consist of six members submitted by the Board Members representing the Local Governments, two members submitted by the Governor and one member submitted by the Attorney General. Expert Panel members may be members of Local Governments or the State. The Expert Panel will utilize experts in addiction, pain management, public health and other opioid related fields to make recommendations that will seek to ensure that all 19 regions can address the opioid epidemic both locally and statewide. Expert Panel members may also be members of the Foundation Board, but need not be.
    - 10. The Foundation Board and the Regions shall be guided by the recognition that expenditures should ensure both the efficient and effective abatement of the opioid

epidemic and the prevention of future addiction and substance misuse. In recognition of these core principles, the Board and the Regions shall endeavor to assure there are funds disbursed each year to support evidence-based substance abuse/misuse prevention efforts.

## 11. Disbursement of Foundation Funds by the Board

- a. The Foundation Board shall develop and approve procedures for the disbursement of Opioid Funds of the Foundation consistent with this Memorandum of Understanding.
- b. Funds for statewide programs, innovation, research, and education may also be expended by the Foundation. Any statewide programs funded from the Foundation Share would be only as directed by an affirmative vote of the Board as set forth in paragraph D(7) above. Expenditures for these purposes may also be funded by the Foundation with funds received from either the State Share (as directed by the State) or from sources other than Opioid Funds as provided in paragraph 14 below.
- c. Funds approved for disbursement to the nineteen Regions shall be allocated based on each Region's share of Opioid Funds ("Regional Share"). Each Regional Share shall be calculated by summing the individual percentage shares of the Local Governments within that Region as set forth in Exhibit B. The Regional Shares for each Region are set forth in Exhibit D.
- d. Regions may collaborate with other Regions to submit joint proposals to be paid for from the Regional Shares of two or more Regions for the use of those Regions.
- e. The Foundation's procedures shall set forth the role of the Expert Panel and the Board in advising, determining, and/or approving disbursements of Opioid Funds for Approved Purposes by either the Board or the Regions. Proposed disbursements to Regions of Regional Shares shall be reviewed only to determine whether the proposed disbursement meets the criteria for Approved Purposes.
- f. Within 90 days of the first receipt of any Opioid Funds and annually thereafter, the Board, assisted by its investment advisors and Expert Panel, shall determine the amount and timing of Foundation funds to be distributed as Regional Shares. In making this determination, the Board shall consider: (a) Pending requests for Opioid Funds from Regions; (b) the total Opioid Funds available; (c) the timing of anticipated receipts of future Opioid Funds; (d) non-Opioid Funds received by the Foundation; and (e) investment income. The Foundation may disburse its principal and interest with the aim towards an efficient, expeditious abatement of the Opioid crisis considering long term and short term strategies.

- g. Votes of the Board on the disbursement and expenditure of funds shall, as with all board votes, be subject to the voting procedures in Section D(7) above. The proposed procedures should provide for the Board to hear appeals by Local Governments from any denials of requested use of funds.
- 12. The Foundation, Expert Panel, and any other entities under the supervision of the Foundation shall operate in a transparent manner. Meetings shall be open, and documents shall be public to the same extent they would be if the Foundation was a public entity. All operations of the Foundation and all Foundation supervised entities shall be subject to audit. The bylaws of the Foundation Board regarding governance of the Board as adopted by the Board, may clarify any other provisions in this MOU except this subsection. This substantive portion of this subsection shall be restated in the bylaws.
- 13. The Foundation shall consult with a professional investment advisor to adopt a Foundation investment policy that will seek to assure that the Foundation's investments are appropriate, prudent, and consistent with best practices for investments of public funds. The investment policy shall be be designed to meet the Foundation's long and short-term goals.
- 14. The Foundation and any Foundation supervised entity may receive funds including stocks, bonds, real property and cash in addition to the proceeds of the Litigation. These additional funds shall be subject only to the limitations, if any, contained in the individual award, grant, donation, gift, bequest or deposit consistent with the mission of the foundation.

### E. Settlement Negotiations

- 1. All Members of the Negotiating Committee, and their respective representatives, shall be notified of and provided the opportunity to participate in all negotiations relating to any Ohio-specific Settlement with a Pharmaceutical Supply Chain Participant.
- 2. No Settlement Proposal can be accepted for presentation to Local Governments or the State under this MOU over the objection of any of the three Members of the Negotiating Committee. The Chair shall poll the Committee Members at the conclusion of discussions of any potential settlement proposal to determine whether such objections exist. Although multiple individuals may be present on a Member's behalf, for polling purposes each Member is a single entity with a single voice.
- 3. Any Settlement Proposal accepted by the Negotiating Committee shall be subject to approval by Local Governments and the State.
- 4. As this is an "All Ohio" effort, the Committee shall be Chaired by the Attorney General. However, no one member of the Negotiating Committee is authorized to

- speak publicly on behalf of the Negotiating Committee without consent from the other Committee Members.
- 5. The State of Ohio, the PEC or the Local Governments may withdraw from coordinated Settlement discussions detailed in this Section upon 5 days' written notice to the remaining Committee Members and counsel for any affected Pharmaceutical Supply Chain Participant. The withdrawal of any Member releases the remaining Committee Members from the restrictions and obligations in this Section.
- 6. The obligations in this Section shall not affect any Party's right to proceed with trial or, within 30 days of the date upon which a trial involving that Party's claims against a specific Pharmaceutical Supply Chain Participant is scheduled to begin, reach a case specific resolution with that particular Pharmaceutical Supply Chain Participant.

#### **Acknowledgment of Agreement**

We the undersigned have participated in the drafting of the above Memorandum of Understanding including consideration based on comments solicited from Local Governments. This document has been collaboratively drafted to maintain all individual claims while allowing the State and Local Governments to cooperate in exploring all possible means of resolution. Nothing in this agreement binds any party to a specific outcome. Any resolution under this document will require acceptance by the State of Ohio and the Local Governments.

FOR THE STATE OF OHIO:	
Mike DeWine, Governor	Dave Yost, Attorney General

#### FOR THE LOCAL GOVERNMENTS AND PLAINTIFFS' EXECUTIVE COMMITTEE:

Frank L Gallucci III

Plevin & Gallucci Co., LPA

Anthony J. Majestro

Powell & Majestro PLLC

Michelle Kranz

Zoll & Kranz, LLC

Donald W. Davis, Jr.

Brennan, Manna & Diamond, LLC

Joe Rice

Motley Rice, LLC

Russell Budd

Baron & Budd, PC

Robert R. Miller

Oths, Heiser, Miller, Waigland

& Clagg, LLC

D. Dale Seif, Jr.

Seif & McNamee, LLC

**James Lowe** 

Lowe, Eklund & Wakefield Co., LPA

Peter H. Weinberger

Dustin Herman

Spangenberg, Shibley & Liber LLP

Kevin M. Butler

Law Offices of Kevin M. Butler

We the undersigned ACCEPT / REJECT (Circle One) the One Ohio Memorandum of Understanding ("MOU"). We understand that the purpose of this MOU is to permit collaboration between the State of Ohio and Local Governments to explore and potentially effectuating earlier resolution of the Opioid Litigation against Pharmaceutical Supply Chain Participants. We also understand that an additional purpose is to create an effective means of distributing any potential settlement funds obtained under this MOU between the State of Ohio and Local Governments in a manner and means that would promote an effective and meaningful use of the funds in abating the opioid epidemic throughout Ohio.

## OHIO ABATEMENT STRATEGIES

#### Opioid-Related Definition:

Funds from any settlement dollars should be used to prevent, treat and support recovery from addiction including opioids and/or any other co-occurring substance use and/or mental health conditions which are all long-lasting (chronic) diseases that can cause major health, social, and economic problems at the individual, family and/or community level.

### Ohio Abatement Strategy Overview

Similar to and including many national settlement strategies, to abate addiction in Ohio, we have created an abatement plan that includes three main components that will work collaboratively to address Ohio's needs and also serve as a complement to and should be integrated with all other state and local government plans:

- Strategies for Community Recovery: Included but not limited to prevention,
  treatment, recovery support and community recovery projects (examples include
  child welfare, law enforcement strategies and other infrastructure supports). These
  strategies have a hyper-local focus that allows communities to collaborate and
  expand necessary services to their community.
- 2. Strategies for Statewide Innovation & Recovery: Included but are not limited to strategies included in Community Recovery Component but also projects that promote statewide change and regional development for prevention, treatment, recovery supports and community recovery (examples include regional treatment hubs, drug tasks forces, data collection and dissemination). This component also includes research and development to understand how to better serve individuals and families in Ohio.
- 3. Strategies for Sustainability: Ohio's addiction and mental health epidemic was not created overnight, and it will not go away immediately. By collaborating to share resources and knowledge, Ohio's state and local communities can a build sustainable financing strategy and infrastructure to reverse the damage that has been done and prevent future epidemics and crises.

## **PART ONE: Community Recovery**

#### **Treatment**

Expanding availability of treatment, including Medication-Assisted Treatment (MAT), for OUD and any co-occurring substance use or mental health condition.

Trauma-informed treatment services and support for individuals, their children and family members who have experienced trauma during their lives including trauma as a result of addiction in the family.

Expand access and support infrastructure developments for telemedicine / telehealth services to increase access to OUD treatment, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services.

Improve oversight and quality assurance of Opioid Treatment Programs (OTPs) to assure evidence-informed practices such as adequate methadone dosing.

Engage non-profits and faith community to uncover and leverage current community faith-based prevention, treatment and recovery support in partnership with medical and social service sectors.

Expand culturally appropriate services and programs that address health disparities in treatment for persons with mental health and substance use disorders, including for programs for vulnerable populations (i.e. homeless, youth in foster care, etc.); citizens of racial, ethnic, geographic and socio-economic differences, and new Americans to ensure that all Ohioans have access and treatment and recovery support services that meet their needs.

Development of National Treatment Availability Clearinghouse – Fund development of a multistate/nationally accessible database whereby healthcare providers can list locations for currently available in-patient and out-patient OUD treatment services that are both timely and accessible to all persons who seek treatment.

Ensure that each patient's needs and treatment recommendations are determined by a qualified clinical professional. Offer training and practice support to clinicians on the American Society of Addiction Medicine (ASAM) levels of care (or other models) and the most effective methods of treatment continuation between levels of care for people with addiction including opioids and any other co-occurring substance use or mental health conditions and make all levels of care available to all Ohioans.

### Early Intervention and Crisis Support

Fund the expansion, training and integration of Screening, Brief Intervention and Referral to Treatment (SBIRT) and Screening, Treatment Initiation and Referral (STIR) programs and ensure that healthcare providers are screening for addiction and other risk factors and know how to appropriately counsel and treat (or refer if necessary) a patient for mental health and substance use disorders.

Support work of Emergency Medical Systems, including peer support specialists, to effectively connect individuals to treatment or other appropriate services following an opioid overdose or other opioid-related adverse event.

Create an intake and call center to facilitate education and access to treatment, prevention and recovery services for persons with addiction including opioids and any co-occurring substance use or mental health conditions.

Create a plan to meet the distinct needs of families of children and youths who experience severe emotional disorders and provide respite and support for these caregivers to reduce family crisis and promote treatment.

Create community-based intervention services for families, youth, and adolescents at-risk for addiction including opioids and any co-occurring substance use or mental health conditions.

Create school-based contacts who parents can engage with to seek immediate treatment services for their child.

Develop best practices on addressing individuals with addiction in the workplace, including opioids and any other co-occurring substance use or mental health conditions.

Implement and support assistance programs for healthcare providers with OUD and any cooccurring substance use disorders or mental health (SUD/MH) conditions.

## Address the Needs of Criminal-Justice Involved Persons

Address the needs of persons involved in the criminal justice system who have opioid use disorder (OUD) and any co-occurring substance use disorders or mental health (SUD/MH) conditions.

Support pre-arrest diversion and deflection strategies for persons with addiction including opioids and any other co-occurring substance use or mental health conditions, including established strategies such as sequential intercept mapping and other active outreach strategies such as the Drug Abuse Response Team (DART) or Quick Response Team (QRT) models or other co-responder models that engage people not actively engaged in treatment.

Support pre-trial services that connect individuals with addiction including opioids and any other co-occurring substance use or mental health conditions to evidence-informed treatment, including MAT, and related services.

Support treatment and recovery courts for persons with addiction including opioids and any other co-occurring substance use or mental health conditions, but only if these problemsolving courts provide referrals to evidence-informed treatment, including MAT.

Provide evidence-informed treatment, including MAT, evidence-based psychotherapies, recovery support, harm reduction, or other appropriate services to individuals with addiction

including opioids and any other co-occurring substance use or mental health conditions who are incarcerated, on probation, or on parole.

Provide evidence-informed treatment, including MAT, evidence-based psychotherapies, recovery support, harm reduction, or other appropriate re-entry services to individuals with addiction including opioids and any other co-occurring substance use or mental health conditions who are leaving jail or prison or who have recently left jail or prison.

Support critical time interventions (CTI), particularly for individuals living with dual-diagnosis substance use disorder/serious mental illness, and services for individuals who face immediate risks and service needs and risks upon release from correctional settings.

## Mother-Centered Treatment and Support

Finance and promote evidence-informed treatment, including MAT, recovery, and prevention services for pregnant women, post-partum mothers, as well as those who could become pregnant and have addiction including opioids and any other co-occurring substance use or mental health conditions.

Training for obstetricians and other healthcare personnel who work with pregnant women or post-partum women and their families regarding treatment for addiction including opioids and any other co-occurring substance use or mental health conditions.

Invest in measures to address Neonatal Abstinence Syndrome, including prevention, care for addiction and education programs.

Fund child and family supports for parenting women with addiction including opioids and any co-occurring substance use or mental health conditions.

Enhanced family supports and childcare services for parents receiving treatment for addiction including opioids and any co-occurring substance use or mental health conditions.

#### Recovery Support

Identify and support successful recovery models including but not limited to: college recovery programs, peer support agencies, recovery high schools, sober events and community programs, etc.

Provide technical assistance to increase the quantity and capacity of high-quality programs that model and support successful recovery.

Training and development of procedures for government staff to appropriately interact and provide social and other services to current and recovering opioid users. To reduce stigma and to normalize a culture of recovery, government staff will be provided with onboarding and training that generates a cultural shift and provides all government employees with tool and resources to feel supported and to support colleagues who may be struggling with substance use disorder.

Convene community conversations and trainings that engage non-profits, civic clubs, the faith-based community, and other stakeholders in training and techniques for providing referrals and supports to those persons to family and friends struggling with substance use disorder.

Identify and address transportation barriers to permit consistent participation in treatment and recovery support.

Support the development of recovery-friendly environments in all sectors, schools, communities and workplaces to promote and sustain health and wellness goals. Put resources toward:

- Supportive and recovery housing;
- 2. Supportive employment/jobs;
- 3. Certification of peer coaches, peer-run recovery organizations, recovery community organizations;
- 4. Crisis intervention and relapse prevention; and
- 5. Services and structures that support young people living a life in recovery including, recovery high schools and collegiate recovery communities.

#### Prevention

Invest in school-based programs that have demonstrated effectiveness in preventing drug misuse and that appear promising to prevent the uptake and use of opioids. Investment in school and community-based prevention efforts and curriculum that has demonstrated effectiveness in reducing Adverse Childhood Events (ACEs) and their impact by increasing resiliency, and preventing risk-taking, unhealthy or dangerous behaviors such as: drug use, misuse, early alcohol use, and suicide attempts.

Assist coalitions and community stakeholders in aligning state, federal, and local resources to maximize procurement of school and community education curricula, programs and campaigns for students, families, school employees, school athletic programs, parentteacher and student associations, aging and elderly community members and others in an effort to build a comprehensive prevention and education response that addresses prevention across the lifespan.

Invest in environmental scans and school surveys to identify effective prevention efforts and realign prevention and treatment responses with those emerging risk factors and changing patterns of substance misuse.

Fund community anti-drug coalitions that engage in drug prevention efforts and education.

Prevent Over-Prescribing of Opioids and Other Drugs of Potential Misuse Training for healthcare providers regarding safe and responsible opioid prescribing, dosing, and tapering patients off opioids.

Continuing Medical Education (CME) on prescribing of opioids and other drugs of concern.

Support for non-opioid pain treatment alternatives, including training providers to offer or refer patients to multi-modal, evidence-informed treatment of pain.

Development and implementation of a National Prescription Drug Monitoring Program (PDMP) – Fund development of a multistate/national PDMP that permits information sharing while providing appropriate safeguards on sharing of private health information, including but not limited to: a. Integration of PDMP data with electronic health records, overdose episodes, and decision support tools for healthcare providers relating to opioid use disorder (OUD) and other drugs of concern.

## Prevent Overdose Deaths and Other Harms (Harm Reduction)

Increase availability and distribution of naloxone and other drugs that treat overdoses for use by first responders, persons who have experienced an overdose event, patients who are currently prescribed opioids, families, schools, community-based service providers, social workers, and other members of the general public.

Promote and expand naloxone strategies, which work to ensure that individuals who have received naloxone to reverse the effects of an overdose are then engaged and retained in evidence-based treatment programs.

Provide training and education regarding naloxone and other drugs that treat overdoses for first responders, persons who have experienced an overdose event, patients who are currently prescribed opioids, families, schools, and other members of the general public.

Develop data tracking software and applications for overdoses/naloxone revivals.

Invest in evidence-based and promising comprehensive harm reduction services and centers, including mobile units, to include; syringe services, supplies, naloxone, staffing, space, peer-support services, and access to medical and behavioral health referrals.

Expand access to testing and treatment for infectious diseases such as HIV and Hepatitis C resulting from intravenous opioid use.

#### Services for Children

Review the continuum of services available to Ohio's youths, young adults, and families to identify gaps and to ensure timely access to appropriate care for Ohio's youngest citizens and their parents.

Fund additional positions and services, including supportive housing and other residential services to serve children living apart from custodial parents and/or placed in foster care due to custodial opioid use.

Expand collaboration among organizations meeting the prevention, treatment, and recovery needs of Ohio's young people and organizations serving youths, such as Boys & Girls Clubs, YMCAs and others. Support the growth of recovery high schools, collegiate recovery communities, and alternative peer groups for youths recovering from mental illness and substance use disorders.

## First Responders (EMS, Firefighters, Law Enforcement and other criminal justice professionals)

Provide funds for first responders and criminal justice professionals and participating subdivisions for cross agency/department collaboration and other public safety expenditures relating to the opioid epidemic that address both community and statewide supply and demand reduction strategies including criminal interdiction efforts.

Training public safety officials and responders safe-handling practices and precautions when dealing with fentanyl or other drugs.

Provide trauma-informed resiliency training and support that address compassion fatigue and increased suicide risk of public safety responders.

#### Workforce

Fellowships for addiction medicine specialists for direct patient care, instructors, and clinical research for treatments.

Scholarships/loan forgiveness for persons to become certified addiction counselors, licensed alcohol and drug counselors, licensed clinical social workers, and licensed mental health counselors practicing in the SUD/MH field, and scholarships for certified addiction counselors, licensed alcohol and drug counselors, licensed clinical social workers, and licensed mental health counselors practicing in the SUD/MH field for continuing educations licensing fees.

Funding for clinicians to obtain training and a waiver under the federal Drug Addiction Treatment Act to prescribe MAT for opioid use disorders.

Training for healthcare providers, students, and other supporting professionals, such as peer recovery coaches/recovery outreach specialists to support treatment and harm reduction.

Dissemination of accredited web-based training curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service-Opioids web-based training curriculum and motivational interviewing.

## PART TWO: Statewide Innovation & Recovery

## Leadership, Planning and Coordination

Provide resources to fund the oversight, management, and evaluation of abatement programs and inform future approaches.

Community regional planning to identify goals for opioid reduction and support efforts or to identify areas and populations with the greatest needs for prevention, treatment, and/or services.

A government dashboard to track key opioid/and addiction-related indicators and supports as identified through collaborative community processes.

Provide funding for grant writing to assist already established community coalitions in securing state and federal grant dollars for capacity building and sustainability.

#### Stigma Reduction, Training and Education

Commission statewide campaigns to address stigma against people with mental illness and substance use disorders. Stigma and misinformation deeply embed the deadly consequences of Ohio's public health crisis. These prevent families from seeking help, fuel harmful misperceptions and stereotypes in Ohio communities, and can discourage medical professionals from providing evidence-informed consultation and care. Ohio's campaign to end stigma should include chronic disease education; evidence-based prevention, treatment, and harm reduction strategies; stories of recovery; and a constant reframing of mental illness and addiction from a personal moral failing to a treatable chronic illness.

Coordinate public and professional training opportunities that expand the understanding and awareness of adverse childhood experiences (ACEs) and psychological trauma, effective treatment models, and the use of medications that aid in the acute care and chronic disease management of both mental illness and addiction.

Strengthen the citizen workforce by providing community-based trainings, such as Mental Health First Aid, Crisis Intervention Training, naloxone administration, and suicide prevention. These best practice trainings should be allowable as Continuing Education Units for professional development and when offered in an educational setting, provide academic credit.

Development and dissemination of new accredited curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service Medication-Assisted Treatment.

Training for emergency room personnel treating opioid overdose patients on post-discharge planning. Such training includes community referrals for MAT, recovery case management and/or support services.

Public education relating to drug disposal.

Drug take-back disposal or destruction programs.

Public education relating to emergency responses to overdoses.

Public education relating to immunity and Good Samaritan laws.

Educating first responders regarding the existence and operation of immunity and Good Samaritan laws.

Invest in public health education campaigns that inform audiences about the ease of contraction of hepatitis C, and that engage persons at-risk to receive testing and treatment.

Convene and host community conversations and events that engage local non-profits, civic clubs, and the faith-based community as a system to support prevention.

Fund programs and services regarding staff training, networking, and practice to improve staff capability to abate the opioid crisis.

Support infrastructure and staffing for collaborative cross-systems coordination to prevent opioid misuse, prevent overdoses, and treat those with addiction including opioids and/or any other co-occurring substance use and/or mental health conditions (e.g. behavioral health prevention, treatment, and recovery services providers, healthcare, primary care, pharmacies, PDMPs).

Support community-wide stigma reduction regarding accessing treatment and support for persons with substance use disorders.

#### RESEARCH

Ensuring that funding is flexible to invest in short and long-term research and innovation projects that embrace new advances, technology and other strategies that meet the needs of Ohioans today and in the future.

#### STATE OF OHIO COUNTY OF HENRY

Sally Heaston, being first duly sworn, states that she is the General Manager of The Bryan Publishing Company, owner of The Northwest Signal, a daily newspaper, published and of general circulation in the county of Henry aforesaid, and that the annexed notice was published in one issue in said paper, on the

Sally Heaston Subscribed and sworn to before me this

day of August 2021

> Kristi Clark Notary Public, State of Ohio My Commission

Expires October 25, 2025

KRISTI L CLARK Notary Public State of Ohio My Comm. Expires October 23, 2025

Printer's Fee: 5 125 Notary Fee: 5 3

## Summary of Ordinance No. 033-21

(PURSUANT TO ARTICLE II, SECTION 2.15 OF THE CITY CHARTER, CHAPTER 121 OF THE CODE OF ORDINANCES AND COUNCIL RULE 6.2.4.1, AS WELL AS APPLICABLE PROVISIONS OF ORC CHAPTER 731)

#### NOTICE

A copy of the complete text of the above named Ordinance(s) and Resolution(s) are on file in the office of the City Finance Director and may be viewed or obtained during business hours of 7:30 AM to 4:00 PM, Monday through Friday, at the office of the Finance Director, the location being 255 West Riverview Avenue, Napoleon, Ohio. A copy of all or part of the above named Ordinances and Resolutions, or any item mentioned in this notice, may be obtained from the City Finance Director upon the payment of a reasonable fee therefore.

Ordinance No. 033-21
AN ORDINANCE ACCEPTING THE MATERIAL TERMS
OF THE ONEOHIO SUBDIVISION SETTLEMENT, PURSUANT TO THE ONEOHIO MEMORANDUM OF UNDERSTANDING AND CONSISTENT WITH THE TERMS
OF THE JULY 21, 2021 NATIONAL OPIOID SETTLEMENT AGREEMENT; AND DECLARING AN EMERGENCY

In this legislation, the City of Napoleon accepted the material terms of the OneOhio Subdivision Settlement, consistent with the National Opioid Settlement Agreement.

The above summaries are approved as to form and correctness by Billy D. Harmon, City Law Director