RESOLUTION NO. 30992

RESOLUTION **AUTHORIZING** THE CITY CHATTANOOGA TO JOIN THE STATE OF TENNESSEE AND **OTHER** LOCAL **GOVERNMENTS** PARTICIPANTS IN THE TENNESSEE STATE-SUBDIVISION OPIOID ABATEMENT AGREEMENT AND APPROVING THE **RELATED SETTLEMENT** AGREEMENTS.

WHEREAS, the opioid epidemic continues to impact communities in the United States, the State of Tennessee, and the City of Chattanooga, Tennessee; and

WHEREAS, the City of Chattanooga has suffered harm and will continue to suffer harm as a result of the opioid epidemic; and

WHEREAS, the State of Tennessee and some Tennessee local governments have filed lawsuits against opioid manufacturers, distributors, and retailers, including many federal lawsuits by Tennessee counties and cities that are pending in the litigation captioned, *In Re: National Prescription Opiate Litigation*, MDL No. 2804 (N.D. Ohio) (the MDL case is referred to as the "Opioid Litigation"); and

WHEREAS, certain pharmaceutical distributors and a manufacturer have proposed settlements that the City of Chattanooga finds acceptable and in the best interest of the community; and

WHEREAS, the Tennessee legislature enacted Public Chapter No. 491 during the 2021 Regular Session of the 112th Tennessee General Assembly and was signed into law by Governor Bill Lee on May 24, 2021, which addresses the allocation of funds from certain proposed opioid litigation settlements; and

WHEREAS, the State of Tennessee, non-litigating counties, and representatives of various local governments involved in the Opioid Litigation have proposed a unified plan for the allocation and use of certain prospective settlement and bankruptcy funds from opioid related litigation ("Settlement Funds"); and

WHEREAS, the Tennessee State-Subdivision Opioid Abatement Agreement (the "Tennessee Plan"), attached hereto as "Exhibit A", sets forth a framework of a unified plan for the proposed allocation and use of the Settlement Funds; and

WHEREAS, participation in the settlements and Tennessee Plan by a large majority of Tennessee cities and counties will materially increase the amount of settlement funds that Tennessee will receive from pending proposed opioid settlements.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF CHATTANOOGA, TENNESSEE, that:

SECTION 1. That the City of Chattanooga finds that participation in the Tennessee Plan is in the best interest of the City of Chattanooga and its citizens because such a plan would ensure an effective structure for the commitment of Settlement Funds to abate and seek to resolve the opioid epidemic.

SECTION 2. That the City of Chattanooga hereby expresses its support for a unified plan forthe allocation and use of Settlement Funds as generally described in the Tennessee Plan.

SECTION 3. That the Mayor of the City of Chattanooga is hereby expressly authorized to execute the Tennessee Plan, in substantially the form attached, as **Exhibit "A"**, and the Mayor of the City of Chattanooga is hereby authorized to execute any formal agreements necessary to implement a unified plan for the allocation and use of Settlement Funds that is substantially consistent with the Tennessee Plan and this Resolution.

SECTION 4. That the Mayor of the City of Chattanooga is hereby expressly authorized

to execute any formal agreement and related documents evidencing the City of Chattanooga's

agreement to the settlement of claims [and litigation] specifically related to AmerisourceBergen

Corporation, Cardinal Health, Inc., McKesson Corporation, Janssen Pharmaceuticals, Inc., and

Johnson & Johnson.

SECTION 5. That the Mayor of the City of Chattanooga is hereby authorized to take

such other action as necessary and appropriate to effectuate the City of Chattanooga's

participation in the Tennessee Plan and these settlements.

ADOPTED: December 21, 2021

EAO/mem/v2

Tennessee State-Subdivision Opioid Abatement Agreement

I. Definitions

For all sections of this Agreement, the definitions for terms set out in this Section I apply. The Agreement also uses additional terms that are defined in the Distributor/J&J Settlements and other agreements. In such instances, which are clearly stated, those terms are defined by those agreements.

- A. "2021 Legislation." Public Chapter No. 491 passed during the 2021 Regular Session of the 112th Tennessee General Assembly and signed into law by Governor Bill Lee on May 24, 2021. For ease of reference purposes only, a copy of Public Chapter No. 491 is attached.
- B. "Agreement." This document, the Tennessee State-Subdivision Opioid Abatement Agreement, a "state-subdivision opioid abatement agreement" as defined in the 2021 Legislation, Section 5(7) and Section 13(6). This Agreement is also a "State-Subdivision Agreement" as defined in the Distributor/J&J Settlement Agreements and a "Statewide Abatement Agreement" as defined in the Purdue Pharma L.P. and Mallinckrodt PLC bankruptcy plans.
- C. "Distributor/J&J Settlements." The settlements consisting of the joint settlement agreement with distributors McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation and their subsidiaries and other related entities and the settlement agreement with manufacturer Johnson & Johnson, its Janssen subsidiaries and other subsidiaries and related entities. Both settlements qualify as Statewide Opioid Settlement Agreements.
- D. "Joint Abatement Bankruptcy Plan." A plan confirmed in federal bankruptcy court under Title 11 of the United States Code that resolves state and subdivision claims related to the manufacture, marketing, distribution, dispensing, or sale of opioids in a manner that allocates funds for abatement jointly to the state and its subdivisions. The plans in the Purdue Pharma L.P. and Mallinckrodt PLC bankruptcy cases are examples of Joint Abatement Bankruptcy Plans.
- E. "Opioid Abatement Council." The council created by the 2021 Legislation, Sections 3-9.
- F. "Relevant Funds." Funds that, pursuant to a Joint Abatement Bankruptcy Plan, are allocated to the State for the claims of the State and its Subdivisions and that must be dedicated to opioid abatement programs.
 - G. "State." The State of Tennessee.
- H. "State-Only Opioid Settlement Agreement." A settlement agreement entered into by the State and one or more entities involved in activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids in which there are not provisions for Subdivision joinder.

- I. "State Opioid Judgment." A judgment obtained by the State against one or more entities involved in activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids.
- J. "Statewide Opioid Settlement Agreement." A settlement agreement entered into by the State and one or more entities involved in activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids in which subdivision claims are addressed.
- K. "Statutory Bar." A law barring all subdivisions (not limited to counties and municipalities) in the state from maintaining released claims against released entities, either through a direct bar or through a grant of authority to release claims. The 2021 Legislation, Sections 10-19 establishes a grant of authority process for a statutory bar to be enacted for the entities addressed in the Distributor/J&J Settlements.
 - L. "Subdivision." A Tennessee county or municipality.
- M. "Subdivision-Only Opioid Settlement Agreement" A settlement agreement between one or more Subdivisions and one or more entities involved in activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids that does not include the State as a party.
- N. "Subdivision Opioid Judgment." A judgment obtained by one or more Subdivisions against one or more entities involved in activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids.
- O. "Tennessee Opioid Abatement Fund." The opioid abatement trust fund established by the 2021 Legislation, Sections 1-2.

II. Interaction of this Agreement with Settlements, Bankruptcy Plans and Legislation

This Agreement replaces certain default provisions in specified State Opioid Settlement Agreements and Joint Abatement Bankruptcy Plans. Certain default provisions are also replaced by the 2021 Legislation and consent judgments will be filed for State Opioid Settlement Agreements. Thus, there will be multiple sources of authority for the application of each settlement agreement or bankruptcy plan. While parts of the 2021 Legislation are described in this Agreement, such descriptions do not supersede the statutory language, which is controlling.

III. Allocation of Funds in the Distributor/J&J Settlements

The Distributor/J&J Settlements allow for payment and allocation default provisions to be replaced by state-subdivision agreements, by statute, and other means. As referenced below, the 2021 Legislation addressed some of the default provisions in these settlements. This Agreement makes a few additional changes to the default provisions. As described below, some default provisions remain in place.

- A. <u>Allocation among three sub-funds</u>. The Distributor/J&J Settlements initially allocate the vast majority of settlement funds among three sub-funds for each state: the "State Fund," the "Abatement Accounts Fund," and the "Subdivision Fund." Subject to the terms of the specific settlement agreements and assuming full subdivision participation and maximum payments, allocation among the three Tennessee sub-funds shall remain the same as with the default provision: 15% to the State Fund, 70% to the Abatement Accounts Fund, and 15% to the Subdivision Fund.
- B. <u>Use of funds</u>. The Distributor/J&J Settlements have provisions concerning the use of funds and those are controlling.² Generally they require that money from all three sub-funds be used for "Opioid Remediation" as that term is defined in those agreements. Such definitions include restitution for past abatement within the definition of remediation.
- C. <u>State Fund</u>. The 15% State Fund shall be directed to the State's general fund unless directed to the Tennessee Opioid Abatement Fund by future legislation.

D. Abatement Accounts Fund.

- 1. The 70% Abatement Accounts Fund shall be directed to the Tennessee Opioid Abatement Fund.
- 2. The 2021 Legislation fully replaces the default provisions for the Abatement Accounts Fund.³ Among the legislative provisions is the requirement that for the Distributor/J&J Settlements funds deposited into the Tennessee Opioid Abatement Fund, the Opioid Abatement Council shall disburse 35% of these proceeds to counties that join the settlements to be spent on opioid abatement and remediation pursuant to Subsections 6(q)-(s). 2021 Legislation Section 6(p).
- 3. The 2021 Legislation allows for a state-subdivision agreement to determine the metrics used in allocating certain funds among participating counties. 2021 Legislation, Section (6)(q). It is agreed that the allocation formula shall use data for fatal and non-fatal opioid overdoses, opioid sales measured by morphine milligram equivalents, and population. Details and agreed terms regarding the metrics, the updating of allocation percentages, and the initial allocation percentages for each county is set out in Exhibit A.

E. Subdivision Fund.

1. The 15% Subdivision Fund shall generally be directed to the Subdivisions participating in the Distributor/J&J Settlements pursuant to the default provisions of those agreements, including the allocation of funds for non-litigating municipalities with populations under 10,000 to their respective counties.

¹ "State Fund," Abatement Accounts Fund," and "Subdivision Fund" are all defined terms in the Distributor/J&J Settlement agreements. They are sub-funds of the settlements" "Settlement Fund" into which the companies make base and incentive payments pursuant to the settlement agreements.

² Some examples are distributor agreement Subsections V.B.1-2 and J&J agreement Subsections VI.B. 1-2.

³ These are mainly found in distributor agreement Section V.E and J&J agreement Section VI.E.

- 2. The default provisions are adjusted for non-litigating municipalities in participating counties that both (1) have populations of 10,000 to 30,000 per the 2019 U.S. Census estimate and (2) have a Subdivision Fund allocation percentage less than 0.5%.⁴ The allocations for such municipalities shall be directed to their respective counties if the county is a participating subdivision. (If the county is not a participating subdivision, the funds are not redirected to the county.) The reallocation for such municipalities located in multiple counties will be divided among those counties pursuant to the data used in Exhibit G of the Distributor/J&J Settlements. These redirected funds to certain counties shall be spent on future opioid abatement and shall be subject to the same statutory requirements as the Abatement Accounts Fund money the county receives from the Tennessee Opioid Abatement Fund. These redirected funds to certain counties are in addition to the funds allocated to participating counties pursuant to 2021 Legislation Section 6(p) and should not be included in calculating or disbursing the 35% amount allocated to participating counties. Such redirected funds should also not be viewed as an additional recovery by the county for purposes of calculating any contingency fees agreements.
- F. <u>Attorneys' fees and costs</u>. The Distributor/J&J Settlements have provisions for funds dedicated to or related to attorneys' fees, costs, and/or expenses. There are also funds for states without outside counsel, identified as "Additional Restitution Funds." Such funds shall be allocated pursuant to such agreements and are not addressed by this Agreement.

IV. Allocation of Funds for other Statewide Opioid Settlement Agreements

A. <u>Application to future settlements</u>. To the extent allowed by such agreement and subject to IV.B.2 of this Agreement, the provisions in Section III above shall replace default provisions in, and apply to, any future Statewide Opioid Settlement Agreement in which Tennessee counties and municipalities are able to join and receive benefits, either directly or indirectly, in exchange for a release of claims.⁵ Not all municipalities need to be eligible to join such a settlement for the provisions of this Section IV to apply. Indirect benefits include funds being allocated to counties and/or the Tennessee Opioid Abatement Fund.

B. Exceptions. The application of Section IV.A. is limited, as follows:

1. The directing of 35% of Abatement Funds to the counties pursuant to the 2021 Legislation Section 6(p) shall not apply to any Statewide Opioid Settlement Agreement that includes an incentive or other benefit for a Statutory Bar unless (a) Section 19 of the 2021 Legislation is amended to specifically allow a Statewide Opioid Settlement Agreement release for the settling entity or entities or (b) another statute that qualifies as a Statutory Bar for such settlement is enacted. Should such settlement become effective prior

⁴ For the avoidance of doubt, a non-litigating municipality with a population between 10,000 and 30,000 that has a Subdivision Fund allocation percentage of 0.5% or greater is not affected by this subsection and receives its direct allocation from the Subdivision Fund.

⁵ For the avoidance of doubt, the Section III provisions include the 15%/70%/15% allocation of settlement funds among the three sub-funds.

to the enactment of a Statutory Bar addressing claims against the settling entity or entities, 35% of the funds directed to the Tennessee Opioid Abatement Fund shall be withheld and not allocated until the earlier of (1) the enactment of such a Statutory Bar or (2) a full regular session of the Tennessee General Assembly has occurred.

- 2. Section IV.A shall not apply to any Statewide Opioid Settlement Agreement unless the application of this Agreement to such settlement is approved by a majority of (a) counties and (b) municipalities having a population over 30,000 after such settlement is negotiated and provided to such subdivisions. Whether there is majority approval shall be measured by population of the relevant subdivisions. Population figures shall be from the most recently published U.S. Census population figures (actual count or estimate) for a year for which data is available for both counties and municipalities.
- 3. Section IV.A shall not apply to any Statewide Opioid Settlement Agreement with Endo International plc. or its subsidiaries.
- C. <u>Statutory provisions</u>. The language in this section does not address or control whether any default provisions in a Statewide Opioid Settlement Agreement are replaced by the 2021 Legislation or any other statutory provision if Section IV.A does not apply to such settlement.

V. Allocation of Funds for Opioid-Related Claims in Joint Abatement Bankruptcy Plans

- A. Relevant Funds. Multiple opioid manufacturers have filed for bankruptcy in actions for which the State and many Subdivisions are creditors for opioid-related claims. These companies include Purdue and Mallinckrodt. It is anticipated that other entities involved in activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids may also file for bankruptcy and that the State and one or more Subdivisions will pursue opioid-related claims in those actions. Funds allocated to the State and Subdivisions for such claims shall be disbursed pursuant to the confirmed bankruptcy plan for the relevant entity, including requirements for funds to be used for future abatement. It is anticipated that one or more of such plans shall include the allocation of Relevant Funds that must be dedicated to opioid abatement programs. All Relevant Funds shall be placed in the Tennessee Opioid Abatement Fund and allocated pursuant to Sections V.B. Relevant Funds do not include funds disbursed through bankruptcy plans that are not restricted to abatement or that are disbursed for claims that are unrelated to the opioid crisis.
- B. <u>Allocation of Relevant Funds</u>. To the extent permissible under the subject bankruptcy plan, Relevant Funds from Joint Abatement Bankruptcy Plans shall be allocated in the same manner as the Abatement Account Funds from the Distributor/J&J Settlements are disbursed under Section III.D and the 2021 Legislation. Thus, the Opioid Abatement Council shall disburse 35% of the proceeds from such bankruptcy plans to the counties subject to 2021 Legislation

Subsections 6(q)-(s). All default provisions related to Relevant Funds in such bankruptcy plans are replaced by this Agreement.⁶

- C. <u>Exception</u>. Section V shall not apply to any bankruptcy plan for Endo International plc. or its subsidiaries.
- D. <u>Statutory provisions</u>. The language in this section does not address or control whether any default provisions in a Joint Abatement Bankruptcy Plan are replaced by the 2021 Legislation or any other statutory provision if Sections V.A-B do not apply to such bankruptcy plans.

VI. No Application to Other Funds

- A. <u>State-Only Opioid Settlement Agreements and State Opioid Judgments</u>. The Attorney General may direct funds from a State-Only Opioid Settlement Agreement or a State Opioid Judgment to the Tennessee Opioid Abatement Fund. Subject to the terms of specific agreements and any conditions placed on the funds prior to their being placed in the Tennessee Opioid Abatement Fund, the funds shall be allocated by the Opioid Abatement Council pursuant to the 2021 Legislation. The allocation and other provisions in this Agreement that apply to certain Statewide Opioid Settlement Agreements and to certain funds from Joint Abatement Bankruptcy Plans do not apply to funds from State-Only Opioid Settlement Agreements or State Opioid Judgments.
- B. <u>Subdivision-Only Settlement Agreements and Subdivision Judgments</u>. The allocation and other provisions in this Agreement that apply to certain Statewide Opioid Settlement Agreements and to certain funds from Joint Abatement Bankruptcy Plans do not apply to funds from Subdivision-Only Opioid Settlement Agreements or Subdivision Opioid Judgments.

VII. Adoption and Amendment of Agreement

A. Controlling Authority. For this Agreement to replace default provisions in the Distributor/J&J Settlements, it must be adopted by statute or approved by the State and a sufficient number of Subdivisions as set forth in Exhibit O of those settlements. For this Agreement to replace default provisions in the Purdue and other bankruptcy plans, it is anticipated that it will need to be approved by the State and a sufficient number of Subdivisions as set forth in the specific bankruptcy plans. There are similar requirements for amending state-subdivision agreements such as this Agreement. It is understood that the approval process and participation requirements set out in this Section VII meet the requirements of these settlement agreements and anticipated bankruptcy plans. For any settlement agreement or bankruptcy plan that allows for a state-subdivision agreement to determine the requirements for amendment of a state-subdivision

⁶ For example, the provisions related to the default "Government Participation Mechanism" in the Purdue bankruptcy plan are not applicable with the adoption of this Agreement (which incorporates the Opioid Abatement Council).

agreement, the approval process and participation requirements set out in this Section VII for an amended agreement shall control. Similarly, if this Agreement is adopted by statute, the approval process and participation requirements set out in this Section VII for an amended agreement shall control.

- B. <u>Adoption of Agreement</u>. This Agreement is adopted if it is approved by the Attorney General, on behalf of the State, and either (1) Subdivisions whose aggregate "Population Percentages," determined as set forth below, total more than 60%, or (2) Subdivisions whose aggregate Population Percentages total more than 50%, provided that these Subdivisions also represent 15% or more of the counties, by number.
- C. <u>Population Percentage Calculation</u>. Population Percentages shall be determined as follows: The Population Percentage of each county shall be deemed to be equal to (1) (a) 200% of the population of such county minus (b) the aggregate population of all Primary Municipalities located in such county, divided by (2) 200% of the state's population. A Primary Municipality means a municipality with a population of at least 25,000. The Population Percentage of each Primary Municipality shall be equal to its population divided by 200% of the state's population. (The result of these calculations is that every person is counted twice: everyone in a Primary Municipality is counted once for that municipality; everyone is counted at least once for their county; and those not in a Primary Municipality are counted a second time for their county.) Except as required by a specific settlement agreement or bankruptcy plan, the population figures for these calculations shall be the 2020 U.S. Census counts for the initial adoption of the Agreement and, for adoption of an amended agreement, the most recently published U.S. Census population figures (actual count or estimate) for a year for which data is available for both counties and municipalities.
- D. <u>Amendment of Agreement</u>. This Agreement may be amended if that amended agreement is approved by the Attorney General, on behalf of the State, and either (1) Subdivisions whose aggregate Population Percentages, determined as set forth above, total more than 60%, or (2) Subdivisions whose aggregate Population Percentages total more than 50% provided that these Subdivisions also represent 15% or more of the counties, by number.

VIII. Effect of Agreement

Nothing in this Agreement is intended to abridge or enlarge the authority of the Attorney General, the State, or the subdivisions, except as expressly stated herein.

Exhibit A: County Allocation for Opioid Abatement Fund

Certain abatement funds are allocated by county pursuant to the 2021 Legislation and/or the provisions of this Agreement. The allocations shall be set consistent with the 2021 Legislation and as set forth below.

- **A.** County Allocation Data. The following data shall be used in the county allocation calculations:
- 1. <u>Fatal opioid overdose data collected by the Tennessee Department of Health</u>. The aggregate figures for the most recent three years of available data shall be used when allocation calculations are performed.
- 2. <u>Non-fatal opioid overdose data collected by the Tennessee Department of Health.</u> The aggregate figures for the most recent three years of available data shall be used when allocation calculations are performed.
- 3. <u>Opioid sales as measured by morphine milligram equivalents ("MME")</u>. The aggregate figures for the most recent three years of available data shall be used when allocation calculations are performed.
- 4. <u>County population</u>. The 2020 U.S. Census counts will be used for the initial allocations. For future allocation calculations, the most recent population estimate or actual count data published by the U.S. Census shall be used.
- **B.** Weighting of Data. In calculating the county allocation percentages, the data shall be weighted as follows:
 - 1. Fatal opioid overdose data shall be weighted at 12.5%.
 - 2. Non-fatal opioid overdose data shall be weighted at 12.5%.
 - 3. Opioid sales as measured by MME shall be weighted at 25%.
 - 4. Population shall be weighted at 50%.
- **C. Updating of Allocations**. The county allocations shall be updated pursuant to statute. The 2021 Legislation requires updating every four years and addresses what happens if a data set used in the initial allocations is unavailable.
- **D.** Allocation Process. The State shall make the initial data and allocable share calculations available to the counties to review for 30 days in order to identify and correct any mathematical or data entry errors. The Opioid Abatement Council will allow for similar review for future reallocations.
- **E. Holdback Share**. It is recognized that, particularly for some very small counties, there could be limits on the ability of the data to capture the scope of the opioid crisis in the county. For example, a large segment of a county's population may fill prescriptions in a neighboring county, resulting in MME data that dramatically underrepresents the level of opioids prescribed to the residents of the county. To address limited situations such as this, 2% of the abatement funds

allocated to counties shall be initially held back until the Opioid Abatement Council can consider county requests for adjustments to their allocation percentages due to such data issues. However, such requests will only be granted when there is a finding that the data limitations substantially affected the county's overall allocation. The Council may only adjust allocation percentages upwards through the use of the 2% holdback fund and may find that no adjustments are needed. Any portion of the 2% holdback fund not used to adjust county allocations pursuant to this process will be released to the counties pursuant to their allocations, including any adjusted allocation percentages.

F. Initial County Allocation Percentages.

[TABLE TO BE INSERTED ONCE UPDATED DATA AVAILABLE]

Opioid Settlement Summary for Tennessee Counties

Tennessee has joined a broad coalition of states and local political subdivisions in reaching nationwide settlements with the three largest pharmaceutical distributors – AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson Corporation – and manufacturer Janssen Pharmaceuticals, Inc., and its parent company, Johnson & Johnson. If the settlements are fully adopted nationally, the distributors will pay a maximum of \$21 billion over 18 years and J&J will pay a maximum of \$5 billion over nine years. Most states have joined the settlements, but for the agreements to become effective, a critical mass of subdivisions must sign onto the settlements by January 2, 2022.

All counties are strongly encouraged to join both settlements and the Tennessee State-Subdivision Opioid Abatement Agreement, which sets out the allocation of abatement funds from the settlements and payments under bankruptcy plans for certain opioid manufacturing companies.

- If the settlements become effective, Tennessee will be eligible to receive more than \$613 million over 18 years, with these maximum payments dependent on all settlement incentives being reached. Payments could begin as soon as April 2022. Most funds will be dedicated to future opioid abatement and remediation programs, benefiting all regions of the state. A substantial portion of the funds will flow through the counties that join the settlements ("Participating Counties").
- If maximum payments are earned, up to \$92 million of the settlement funds would be paid directly to Tennessee counties and municipalities from the Subdivision Fund. All Participating Counties receive allocations from the Subdivision Fund.
- If maximum payments are earned, up to \$429 million of the settlement funds would be paid to the Tennessee Opioid Abatement Fund and dedicated to future opioid abatement. Pursuant to recent legislation, 35% of these funds approximately \$150 million would be controlled by the Participating Counties.
- Tennessee is committed to maximizing the payments from these settlements, which are highly incentive-based and contain several potential penalties and offsets. Close to full subdivision joinder is anticipated, which would earn most incentives. Additionally, the recent legislation also allows for the release of all state and subdivision claims against these companies if the settlements become effective and this process should ensure maximum payments.
- It is vital that counties join the settlements before the January 2, 2022 deadline. Not only does a county's joinder help reach the critical mass of subdivision participation needed for the settlements to become effective, but it also makes the county eligible for its maximum payments. Joinder by the deadline protects against the risk of missing an initial payment or having all payments reduced because of a failure to join before the statutory release of claims is enacted.
- The settlement agreements, the Tennessee state-subdivision agreement, an executive summary, FAQs, and additional information can be found on the state-specific website: https://www.tn.gov/attorneygeneral/working-for-tennessee/filings-of-interest/opioids.html. Information on the joinder process and additional materials about the settlements can be found on the national settlement website: https://nationalopioidsettlement.com.