



Distribution of Michigan's \$81M Share of Opioid Settlement to Begin

Leslie A. Abdo

Foster Swift Municipal Law News

February 2, 2023

A recent Wayne County Circuit Court decision, dismissing a challenge to the State of Michigan's plan for distribution of Opioid Litigation settlement funds to Michigan counties, townships, and municipalities, has opened the door for distribution of the first \$81 million of those funds to begin as early as the end of January.

The decision, issued by Wayne County Circuit Judge Patricia Fresard in *Ottawa County v. State of Michigan*^[1], dismissed a lawsuit filed by Ottawa County challenging the state's distribution plan^[2]. The plan was also approved by the state legislature in a package of bills signed into law on May 19, 2022^[3].

The funds are available following a \$26 billion National Opioid litigation settlement reached in July 2021 with three distributors of opioid drugs (McKesson, Cardinal Health and AmerisourceBergen), and one manufacturer (Janssen Pharmaceuticals), in which settlement funds are being paid into a national escrow account over periods ranging between 9 and 18 years. Michigan's overall share of this initial settlement is expected to be approximately \$776 million. The settlement also includes the establishment of a distributor clearinghouse to track opioid shipments in order to detect, stop, and report suspicious opioid orders, and an agreement by Janssen and its parent company, Johnson & Johnson, not to manufacture opioids for ten years.

Settlements are also being finalized with three pharmacy chains (CVS, Walgreens and Walmart) for those retailers to pay up to \$13.16 billion over periods ranging from 6 to 15 years. Additionally, a tentative settlement with Teva Pharmaceuticals and Allergan Finance (formerly Watson Pharmaceuticals) was announced in December 2022 that could pay up to \$5.582 billion over periods of 7 to 15 years. These additional settlements are expected to be finalized later this year.

Information about these settlement distributions and other opioid settlement resources are available at the Michigan Association of Counties' Opioid Settlement Resource Center

AUTHORS/ CONTRIBUTORS

Leslie A. Abdo

PRACTICE AREAS

Governmental Relations

Municipal & Public Entity Law

Municipal Litigation



(<https://micounties.org/opioid-settlement-resource-center/>).

If you have any questions or need more information about upcoming settlement distributions, please contact Leslie Abdo at 616.726.2232 or labdo@fosterswift.com.

[1] Wayne County Circuit Court Case No. 22-013439-CZ.

[2] The Plan, titled "Michigan State-Subdivision Agreement for Allocation of Distributor Settlement Agreement And Janssen Settlement Agreement", is available at <https://micounties.org/opioid-settlement-resource-center/>.

[3] Senate Bills 22 SB 993, 994 and 995.
