



Governor's Office of Health Strategy and Coordination

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Substance Abuse Research Alliance (SARA)
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Background on OHSC

- The Office of Health Strategy and Coordination (OHSC) was established after passage of House Bill 186 (2019 Session).
- OHSC operates as a division of the Governor's Office of Planning and Budget.
- Governor Kemp appointed a Director in June 2021 and OHSC now consists of four full time staff.
- **Mission:** to break down the silos between government agencies, health care providers, and health care consumers and to promote health care policies that increase access and quality.



OHSC - Powers and Duties

- Strengthen and support the health care infrastructure of the state through interconnecting health functions and sharing resources across multiple state agencies and overcoming barriers to the coordination of health functions.
- Facilitate collaboration and coordination between state agencies, coordinating state health functions and programs, serving as a forum for identifying Georgia's specific health issues of greatest concern, and promoting cooperation from both public and private agencies to test new and innovative ideas.
- Advise the Governor's Office on all healthcare policy issues.



Opioid Settlements

OHSC has been monitoring and advising the Governor on the nationwide settlements reached on opioid litigation brought by states and local subdivisions against the three largest pharmaceutical distributors—McKesson, Cardinal Health, and AmerisourceBergen—and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson.

National Distributor Settlement

Settling Distributors:

- McKesson Corporation
- AmerisourceBergen Corporation
- Cardinal Health, Inc.

Janssen/J&J Settlement

Settling Manufacturer:

- Janssen Pharmaceuticals, Inc., Johnson & Johnson, and OrthoMcNeil-Janssen Pharmaceuticals, Inc.



Funds from National Settlement

Georgia opted into the settlements and, as a result, is expected to receive a combined total of approximately \$636 million:

- An estimated \$517 million will come from the National Distributors Settlement with distributors making their payments over the course of 18 years.
- An estimated \$118 million will come from the Janssen/J&J Settlement, with the manufacturer making its payments over the course of 9 years.



Use of Funds

Condensed Summary of Approved Purposes*

Core Strategies

- Naloxone or other FDA-Approved Drug to reverse opioid overdoses
- Medication-Assisted Treatment Distribution and other opioid-related treatment
- Pregnant & Postpartum Women
- Expanding Treatment for Neonatal Abstinence Syndrome
- Expansion of warm hand-off programs and recovery services
- Treatment for incarcerated population
- Prevention programs
- Expanding Syringe Service Programs
- Evidence-based data collection and research analyzing the effectiveness of the abatement strategies within the state

Approved Uses

Treatment:

- Treatment of Opioid Use Disorder
- Support people in treatment and recovery
- Connect people who need help to the help they need (connections to care)
- Address the needs of criminal justice-involved persons
- Address the needs of pregnant or parenting women and their families, including babies with neonatal abstinence syndrome

Prevention:

- Prevent over-prescribing and ensure appropriate prescribing and dispensing of opioids
- Prevent misuse of opioids
- Prevent overdose deaths and other harms (Harm reduction)

Other Strategies:

- First responders
- Leadership planning and coordination
- Training
- Research

*The Georgia MOU defines "Approved Purposes" to mean the List of Opioid Remediation Use in Exhibit E of National Distributor Settlement and the Approved Opioid Abatement Uses in Schedules A and B to Exhibit G to the Notice of Filing of Eighth Plan Supplement Pursuant to the Fifth Amended Joint Chapter 11 Plan of Reorganization of Purdue Pharma L.P. and its Affiliated Debtors, In re: Purdue Pharma L.P., et al., Case No. 19- 23649-RDD, Dkt. 3121 (Bankr. S.D. N.Y. July 8, 2021). While the Purdue Pharma settlement is not part of this briefing and still being negotiated, any funds received through it will be received by the Georgia Opioid Crisis Abatement Trust established for the national settlements.



Funds – State and Local Shares

While the national settlements contained the default allocations of state and local funds, states were able to change the defaults through a State Subdivision Agreement. Georgia's Memorandum of Understanding (MOU) executed by the Attorney General's office between the state and participating local subdivisions set its own percentages and determined that the amounts received from the settlement will be divided as follows:

- **State's Share of Funds: 75% (\$477 million) will be put into a state-administered Trust, and 40% (\$191.1 million) of that total state share amount must be spent on a regional basis as determined by the state.**
- **Participating Local Governments' Share: 25% (\$159 million) will be allocated amongst the participating local governments that signed on as a litigating subdivision to the settlement agreements and who are thereby eligible to receive settlement funds directly.**



Administering the State Share; Role of Trustee

- A Governor-appointed **Trustee** will make disbursements of State Opioid Funds after consultation with the Government Participation Mechanism (GPM), an advisory body, with recommendations regarding allocation of State Opioid Funds.
- The 40% of the State's 75% share will be distributed on a regional basis via direct block grants, and regions comprised of multiple participating local governments (i.e., litigating subdivisions that signed on to settlements and are also entitled to directly receive the 25% local share) shall form regional advisory councils (RACs) that will consult with the GPM and local governments to best determine how funds will be spent.

Trustee is responsible for:

- Overseeing the implementation of the settlement;
- Making decisions regarding expenditures of State Opioid Funds after consulting with the Government Participation Mechanism;
- Ensuring compliance with the reporting requirements set forth in the Georgia MOU and Opioid Settlement agreements; and
- The ministerial task of releasing funds that are in the trust and accounting for all payments into or out of the trust.

Trustee is authorized to make disbursements of State Opioid Funds for:

- Approved Purposes
- Administrative expenses; and
- Attorneys' fees and costs.



Regional Distribution for Block Grants (40% of the 75% State Share)

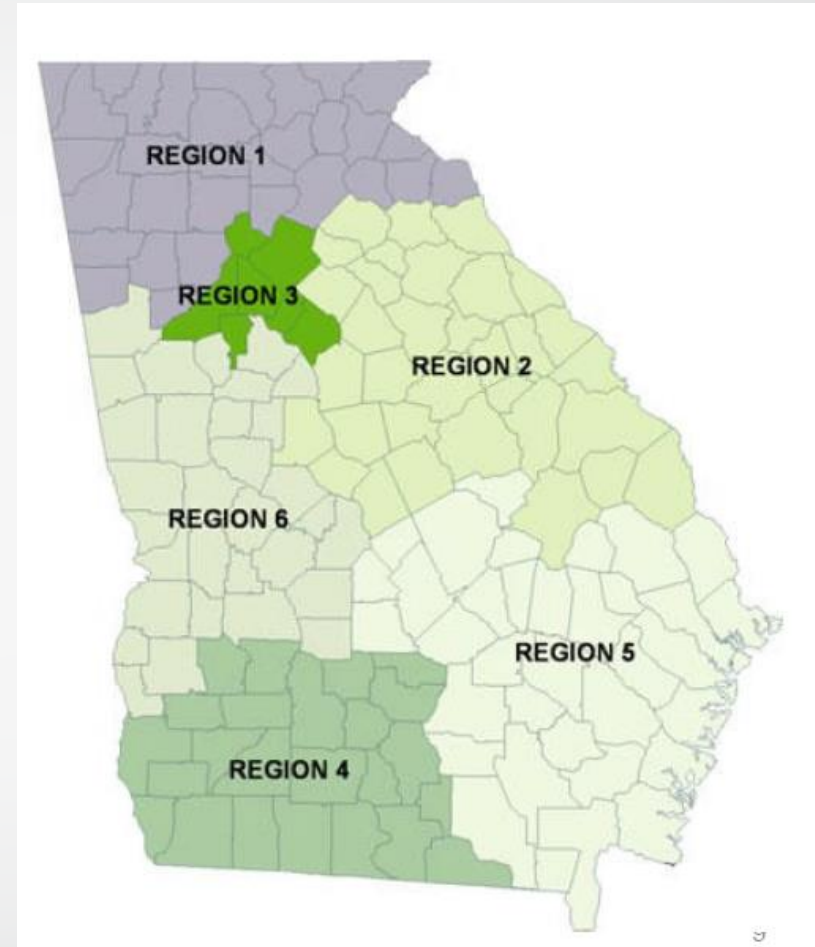
- Each county with a population of at least 400,000 constitutes a Qualifying Block Grantee and should be counted as a separate Region.*
- Each Qualifying Block Grantee will receive its regional allocation directly from the state trust so long as it certifies that it has sufficient infrastructure to provide Opioid Abatement services.

***Cobb, Dekalb, Fulton, Gwinnett, and City of Atlanta will each be their own region.**

- **The State will assign initial regional allocation percentages to the regions using a national allocation model**
- Every three years, the Trustee must recalculate the regional allocation using severity metrics for:
 - (1) the number of fatal opioid overdoses within the Region;
 - (2) non-addiction treatment morphine milligram equivalents (MME) shipped into the Region; and
 - (3) addiction treatment MME shipped into the Region.

Regional Advisory Councils Per Region

- The RAC regions will mimic the six DBHDD regions plus each Qualified Block Grantee (Cobby, Dekalb, Fulton, Gwinnett, and City of Atlanta) will serve as its own region
- Utilizing the same regions as the DBHDD regions will increase administrative efficiency due to provider familiarity
- Total of 11 regions





Overview of Regional Advisory Councils (RAC)

- Local governments will form the RACs in each region
 - For each region comprised of multiple Participating Local Governments, the settlement requires that local governments form RACs of three to seven members
 - Local governments have final decision on size
 - Varying sizes allowed
 - Required for each RAC:
 - A member of a county board of health;
 - An executive team member of a community service board; and
 - A Sheriff (or representative designated by the sheriff)



Advisory Committee – “GPM”

A **Government Participation Mechanism (GPM)***, with equal state and local representation in membership, will make recommendations to the Trustee for how all State Opioid Funds are spent from the Georgia Opioid Crisis Abatement Trust.

- GPM makes recommendations to the Trustee regarding how state funds are spent (60% of the funds), but the Trustee retains final authority.
- GPM consults with local governments and the Regional Advisory Councils created by local governments (cities and counties) for the regional distribution and spending of funds.
- GPM also consults with community stakeholders, state and local public health officials and public health advocates, in connection with opioid abatement priorities and expenditure decisions for the use of State Opioid Funds on Approved Opioid Abatement Uses.

**The GPM structure comes from the Purdue Bankruptcy Plan's Distribution Procedures for the National Opioid Abatement Trust and will oversee distribution for all future opioid settlement funds.*



Member Composition:

- State and local governments shall have equal representation on the GPM.
- Members must possess a background in opioid use disorder, addiction treatment or policy, public health policy, mental health treatment or policy, or opioid-related law enforcement.
- The Chairperson of the GPM shall be appointed by the State and will be a non-voting member of this advisory body.

Meetings; Annual Report:

- The GPM will host public meetings on a quarterly basis.
- Annual report will be posted on website.



Current Status

- Wilmington Trust has been designated to serve as the National Settlement Fund Administrator.
- Georgia has not received any settlement funds to date but consent judgments for both settlements have been entered by the Court.
- The AG's office and outside counsel are simultaneously working on the documents necessary to establish the Georgia Opioid Crisis Abatement Trust.
- The Governor's Office is actively working to identify and appoint members to the GPM.
- The local governments are currently working with their local attorneys on the formation of the RACs based on the 11 regions.
- Once the local governments form the RACs, they will know more about their procedures going forward.



Questions & Comments?

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