

**Open Work Session**  
**Update on Opioid Settlement Payment**  
**September 20, 2022**

Mr. Andrew Illuminati, Esquire, came before Council and said, at the end of last year the Council accepted the settlement with Johnson and Johnson as one along with the big three distributors – McKesson, Cardinal Health, and Amerisource, as the other settlements. He said the Attorney General’s office along with numerous parties to the litigation within Maryland then formed an agreement to distribute the funds from the settlement, and the agreement is that finally the payment of those funds is going to be made, and under the agreement, the total from those four is \$128,281 to the County. He said then there would be an additional \$3.3 million potential grant money available, so Wicomico County would be able to then apply for that money with a cap of \$115,000. He clarified, the grant applications have not been established yet. He said, just looking at everything with the Attorney General leaving and being replaced this year, he does not anticipate the grant work being available until at least a new Administration, but the anticipation is that guaranteed funds should be available by the end of next month. He said the County has already set up the account to receive the funds and has done everything the Attorney General has asked them to comply with in order to receive payment. He said, once that payment is received, the money needs to be spent on abatement, and he believes they will get more information on exactly how broad of a term that is.

Mr. Illuminati said then there is pending litigation with some small manufacturers, but primarily the retail pharmacies - CVS, Walgreens, and Walmart, and those lawsuits are beginning to go to trial throughout the country. He said Ohio recently tried one and received a very successful verdict, so the belief of outside counsel is that there will be another massive settlement agreement like with the big three distributors and Johnson and Johnson, which will be an additional source of abatement revenue. He said the two biggest questions going forward are that originally Baltimore City had opted out of the settlement with Johnson and Johnson and the big three, so will Baltimore City look at joining the settlement, which would then raise the guaranteed money payable to the County as well as the other counties. He said the other question is would a new Attorney General with the same settlement style that was done with the manufacturers be done with the retail pharmacies, or would there be something else. He said there was a lot of pushback from the counties that more money should be coming to those who are affected rather than applying for the grant process. He said probably the success of the grant process is going to determine whether there is a new MOU or not for the retail pharmacy litigation.

Mr. Dodd asked what the figure was on the settlement for the County, to which Mr. Illuminati responded, the first year total payment guarantee is a little over \$128,000. He said there are two different timelines with the max timeline being 18 years, but the total guarantee is over \$1.8 million dollars. Mr. Dodd asked if that is the County’s allotment, or do they have to split that with the municipalities, to which Mr. Illuminati responded, that is the County’s allotment that they will be able to use for abatement, and then the County can also apply for the grants to increase that number. He again clarified that the guarantee over the 18 years is \$1.8 million. Mr. Dodd asked if Mr. Illuminati knows what the share is for the municipalities, to which Mr. Illuminati responded, the only municipality subject to the litigation was Salisbury, which will have their own guaranteed amount. He said, unfortunately the other municipalities were below the threshold number, so the County will have to make a decision on

whether a percentage is going to go to the other municipalities, or whether it is just going to be a Countywide effort through the Health Department, and that is something that will be left to Council.

Mr. Hastings asked, for clarity, does the State hold the grant amount, or is it in a separate fund set up through the big three manufacturers. He clarified, to apply for the grant funds, who holds those funds, to which Mr. Illuminati responded, the State holds the funds. Mr. Hastings said a period of 18 years was mentioned in total if guaranteed. He then asked how many years they would have, theoretically, of applying for the grant funds, to which Mr. Illuminati responded, up to the 18 years. He said the total settlement was over a course of 18 years with that figure, so the grant money would be there every year. Mr. Hastings then asked about the abatement guidance from the State, to which Mr. Illuminati responded, sort of like with the ARPA money, it is a broad category of abatement. He said it could be direct to the public in some sort of public outreach, or used for Sheriff's Office vehicles, or for proactive enforcement, but it is really unknown at this point and they need better guidance.

Mr. Cannon said he appreciates the update and they will certainly have Mr. Illuminati back. There was no further discussion.

  
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John T. Cannon, President, At-Large

  
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Ernest F. Davis, Vice President, District 1  
\_\_absent

William R. McCain, At-Large

  
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Nicole Acle, District 2

  
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Larry W. Dodd, District 3

  
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Josh Hastings, District 4

  
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Joe Holloway, District 5

  
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Laura Hurley, Council Administrator