

MICHIGAN OPIOID SETTLEMENT FUNDS



RESOURCES FOR THE
MICHIGAN OPIOID
SETTLEMENTS

Funds from the **national opioid settlements** are being awarded to state and local governments throughout the country for alleged harms, caused by companies that marketed, manufactured, distributed, and sold pharmaceutical opioids.

As dollars from the national opioid settlements are now being received at both state and local levels, this guide is intended to help support an understanding of **Michigan's opioid settlement spaces and the key agencies, involved.**

DISCLAIMER: The following information is subject to change. Figures associated with the national opioid settlements, including but not limited to state and local payment information, represent estimates, only. Descriptions of agencies, processes, and/or policies have been sourced and/or developed by key offices to support public awareness of the subject matter. This document does not constitute a legal document, nor is the information considered legal advice. This document was created collaboratively, using information available at the time of its development and may be updated at any time to reflect necessary and/or suggested changes.

STATE GOVERNMENT

LEGISLATIVE BRANCH

Michigan State Legislature

[Find your Senator](#)

[Explore Senate Committees](#)

[Find your Representative](#)

[Explore House Committees](#)

Opioid Advisory Commission

[OAC Website](#)

The Michigan state legislature is the designated body for appropriating monies from the [Michigan Opioid Healing and Recovery Fund](#), including dollars received by the state government, as a result of participation in the national opioid settlements.

EXECUTIVE BRANCH

Executive Office of the Governor

[Office of Governor Gretchen Whitmer](#)

Michigan Department of Attorney General

[MI-AG Opioids Website](#)

Michigan Department of Health and Human Services

[MDHHS Opioids Website](#)

Opioids Task Force

[Opioids Task Force Website](#)

LOCAL GOVERNMENT REPRESENTATIVE AGENCIES



[MICHIGAN MUNICIPAL LEAGUE](#)



[MICHIGAN ASSOCIATION OF COUNTIES](#)



[MICHIGAN TOWNSHIPS ASSOCIATION](#)



This document was created in collaboration between the Opioid Advisory Commission, Michigan Department of Attorney General, Michigan Department of Civil Rights, Michigan Department of Corrections, Michigan Department of Treasury, Michigan Association of Counties, Michigan Municipal League, and Michigan Townships Association (08.28.2023). References for this document can be found [here](#).

KEY AGENCIES OF MICHIGAN'S OPIOID SETTLEMENT SPACES

LEGISLATIVE

State Legislature

In Michigan, the state legislature is the designated authority to “appropriate” or determine how settlement dollars from the Michigan Opioid Healing and Recovery Fund will be spent. The legislature has the authority to appropriate settlement funds in any way it chooses, provided appropriations follow the requirements of the opioid settlement agreements and those set forth by law ([Public Act 83 of 2022](#); MCL 12.253). The Opioid Advisory Commission (OAC) provides recommendations to the state legislature on funding (including appropriation of opioid settlement funds) and policy.

Opioid Advisory Commission

The Opioid Advisory Commission (OAC) serves under the Legislative Council as an agency to advise the state legislature. Per [Public Act 84 of 2022](#) (MCL 4.1851), the OAC is tasked with establishing priorities to address substance use disorders and co-occurring mental health conditions, conducting a statewide needs assessment, identifying strategies to reduce disparities in access to health care and behavioral health services, assessing the impact of opioid settlement funds, and making recommendations on funding and policy initiatives, to the state legislature.

EXECUTIVE

Executive Office of the Governor

The Governor of Michigan authorizes spending (through the Department of Treasury) of state budget appropriations, including dollars from the Michigan Opioid Healing and Recovery Fund. The Governor’s Office develops policy and budget priorities for state government and oversees all departments under the executive branch.

Michigan Department of the Attorney General

The Attorney General’s office represents the State of Michigan in the national opioid lawsuits. In Michigan, the Attorney General’s office is also the designated authority for enforcement. It is the Attorney General’s responsibility to enforce the requirements outlined in each opioid settlement agreement and to handle any claims of misuse of opioid settlement funds, at the local level. The Attorney General also submits reports regarding State of Michigan settlement dollars, as required by some of the opioid settlement agreements.

Michigan Department of Health and Human Services

The Department of Health and Human Services is one of the main executive offices that administers (spends or distributes) state opioid settlement funds appropriated by the legislature. The [Michigan “Opioids Strategy”](#) and the [Michigan Opioids Task Force](#) are both housed within the Department of Health and Human Services.

Michigan Department of Treasury

The Department of Treasury is responsible for managing the Michigan Opioid Healing and Recovery Fund, the account in which all state share opioid settlement dollars, are directed. The Department of Treasury is also responsible for directing the investment of dollars in the Michigan Opioid Healing and Recovery Fund and following appropriations of the legislature as well as requirements of the settlement agreements and state law ([Public Act 83 of 2022](#); MCL 12.253), when spending dollars from the account.

Opioids Task Force

The Michigan Opioids Task Force was created as an advisory body within the Department of Health and Human Services. In September 2022, Governor Whitmer signed [Executive Order No. 2022-12](#) expanding the Michigan Opioid Task Force to include one representative appointed by the Governor from each of the [ten regions](#) established by the Department for specialty Prepaid Inpatient Health Plans for Medicaid mental health and substance use disorder services and supports (“PIHP Regions”).

LOCAL

Michigan Association of Counties

The Michigan Association of Counties (MAC) serves county government officials on numerous topics including opioid settlement funds. MAC provides technical assistance and support through their Opioid Settlement Resource Center as well as a public-facing dashboard, toolkit, and templates.

Michigan Municipal League

The Michigan Municipal League (MML) represents more than 500 full-service cities, villages, and urban townships, providing education, advocacy, and support for municipal governments, including information and resources related to opioid settlement funds.

Michigan Townships Association

The Michigan Townships Association (MTA) represents 99% of Michigan’s 1,240 townships, providing education, information and advocacy resources and services, including support for opioid settlement-eligible members.



MICHIGAN'S OPIOID SETTLEMENTS

Distributors **\$631 million over 18 years**

AmerisourceBergen, Cardinal Health, McKesson

local share
\$315.6 million

state share
\$315.6 million

Janssen (J&J) **\$145 million over 9 years**

local share
\$72.5 million

state share
\$72.5 million

CVS **\$161 million over 10 years**

local share
\$80.5 million

state share
\$80.5 million

Walmart **\$91 million over 1 year***

local share
\$45.6 million

state share
\$45.6 million

Walgreens **\$313 million over 18 years***

local share
\$87.6 million

state share
\$225.6 million

Teva **\$122 million over 13 years**

local share
\$61 million

state share
\$61 million

Allergan **\$73 million over 7 years**

local share
\$36.6 million

state share
\$36.6 million

McKinsey & Co. **\$19 million over 5 years**

state share
\$19.56 million

Mallinckrodt **\$37 million over 8 years***

regional share
\$25.9 million

non-regional
\$11.1 million

Endo status pending due to bankruptcy

Purdue status pending—U.S. Supreme Court review

MICHIGAN'S OPIOID SETTLEMENTS

Janssen and Distributors Settlements

In 2021, a \$26 billion nationwide settlement was reached to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health and AmerisourceBergen (“Distributors”), and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (collectively, “J&J”).

The state of Michigan is slated to receive nearly \$800 million from these settlements over 18 years. Fifty percent (50%) of the settlement amount will be sent directly to county and local governments, and fifty percent (50%) will be sent to the State. The national agreement also requires significant industry changes that will help prevent this type of crisis from ever happening again.

Pharmacy and Manufacturer Settlements:

CVS, Walmart, and Walgreens; Teva and Allergan

In 2022, additional settlements with pharmacies and manufacturers were announced, including CVS, Walgreens, Walmart, Allergan, and Teva.

Sign-on for participation in settlements with CVS, Walmart, Allergan, and Teva are completed in Michigan, with payments anticipated by end of calendar year, 2023. These four settlements are expected to bring in over \$450 million to Michigan and are structured like Janssen and Distributors settlements with a 50/50 state/local split. *The payment schedule for Walmart (over what period payments are received) involves multiple factors and may exceed 1-year estimates.

The Walgreens settlement is just beginning to move forward in Michigan and will bring about \$313 million into the state. *Funds from Walgreens represent awards from both a national settlement (50/50 state/local split; payments received over 15 years) and an additional settlement (for state government, only; payments received over 18 years).

McKinsey and Co. Settlement

The state of Michigan has already received the majority of the \$19.56 million in settlement funds from McKinsey and Co., a settlement from which one-hundred percent (100%) of funds will be paid to the state government.

Mallinckrodt Settlement

Michigan received \$5.2 million from the Mallinckrodt settlement in May 2023 and is estimated to receive a total of \$37 million over eight (8) years, however *Mallinckrodt’s bankruptcy status may impact total dollars received.

Mallinckrodt is structured differently than other settlements, in that it includes a 70/30 regional/non-regional split, with seventy percent (70%) of the funds going to designated regions and Qualified Block Grantees, and thirty percent (30%) dedicated to non-regional entities. The Opioids Task Force serves as the "Government Participation Mechanism" for the Mallinckrodt settlement and is tasked with making recommendations on the spending of regional and non-regional funds.

Purdue Pharma and Endo

Michigan may receive additional funds from Endo, which is pursuing a bankruptcy plan that includes funding opioid abatement trusts. [Recent actions by the U.S. Supreme Court](#) have blocked further movement on the Purdue Pharma settlement. The case is currently awaiting review by the U.S. Supreme Court, and its status remains pending.

