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BALTIMORE CITY COUNCIL PUBLIC HEALTH AND ENVIORNMENT COMMITTEE

Mission Statement

On behalf of the Citizens of Baltimore City, the mission of the **Public Health and Environment Committee** is dedicated to safeguarding the well-being of Baltimore's residents by advancing policies that promote health equity, environmental justice, and sustainability. Recognizing the deep connection between public health and the environment, the committee works to reduce health disparities, improve access to essential services, and address climate-related challenges that impact communities.

The Honorable Phylicia Porter Chair

PUBLIC HEARING

WEDNESDAY, JULY 16, 2025 10:00 AM

COUNCIL CHAMBERS

Legislative Oversight #LO25-0022

Oversight of the Opioid Restitution Funds

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Staff: Juliane Jemmott (410-396-1268)

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Staff: Ethan Navarre (410-396-1266)

CITY OF BALTIMORE

Brandon M. Scott – Mayor Zeke Cohen – Council President



Office of Council Services

Nancy Mead - Director 100 Holliday Street, Room 415 Baltimore, MD 21202

BILL SYNOPSIS

Committee: Public Health and Environment

Legislative Oversight: LO25-0022

Oversight of the Opioid Restitution Funds

Sponsor: Councilmembers Porter, et al

Introduced: June 16, 2025

Purpose:

For the purpose of assessing the allocation and impact of the Opioid Restitution funds, ensuring they are utilized effectively to support evidence-based strategies that benefit the city's most vulnerable populations.

Effective: Upon enactment.

Agency Attending/Reporting

Mayor's Office of Opioid Response (MOOR)	None as of this writing - Sarah Whaley, Director
Department of Law	None as of this writing
Department of Finance	None as of this writing

Analysis

Background

Baltimore reached settlements totaling more than \$402.5 million related to the opioid crisis, which will go to the <u>Baltimore City Opioid Restitution Fund</u>. Mayor Brandon Scott signed an executive order to manage these funds effectively. Additionally, the city has outlined how it will utilize \$242.5 million from opioid lawsuit settlements to combat the crisis.¹

Also see two (2) attachments:

- Overview of the Baltimore City Opioid Restitution Fund
- Recent news article regarding the "Settlement"

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¹ Baltimore City Health Department website.

On Wednesday, July 16, 2025, the committee will convene, along with other pertinent agency representations to discuss the allocation and impact of the Opioid Restitution funds.

Additional Information

Fiscal Note: None

Information Source(s): Primary sponsor, the Honorable Phylicia Porter and the Baltimore City

government website.

Marguerite Currin

Analysis by: Marguerite Currin Direct Inquiries to: (443) 984-3485

Analysis Date: July 14, 2025

Opioid Restitution Fund



Overview

Opioid overdoses have been one of the most deadly public health epidemics in our nation's history, leading to more than 80,000 deaths annually in the United States. In the last two decades, Baltimore has been disproportionately impacted, with more than half a billion opioid pills permeating the Baltimore area between 2006 and 2019, driving an increase in overdose deaths. Public health experts have estimated that more than 80% of Baltimore's opioid use disorder cases between 2010 and 2021 began with prescription opioids, leading residents to turn to illicit drugs. Baltimore City makes up 9% of Maryland's population but, now through the first seven months of 2024, represents 44% of Maryland's overdose deaths. Annually, Baltimore has an average of more than 2 (overdose) deaths per day.

In response, in 2018, Baltimore City initiated legal action against various pharmaceutical manufacturers and distributors for their role in creating the opioid epidemic in Baltimore City by failing to take reasonable steps to prevent the diversion of their highly addictive prescription opioids. The City then opted out of the global settlement that would have provided the City with much less restitution money than it deserved and decided instead to pursue its litigation against some of the largest pharmaceutical companies in the world.

That decision has paid off. As of June 2025, the City has reached settlements totaling more than \$402.5 million (before legal fees and repayment of litigation costs).

• Allergan: \$45 million

Cardinal Health: <u>\$152.5 million</u>

CVS: \$45 million
Walgreens: \$80 million
Teva: \$80 million

- Johnson & Johnson: Settled, amount to be announced
- Cencora (formerly AmerisourceBergen) and McKesson: Pending

The City entered abatement proceedings in December 2024. All recoveries from these cases will go to the Baltimore City Opioid Restitution Fund.

Executive Order Issued By Mayor Scott

On August 29, 2024, Mayor Scott released an Executive Order establishing the City's approach to managing the restitution funds received, including provisions that:

- 1. Establish a separate Baltimore City Opioid Restitution Fund
- 2. Establish a trust fund that will sustain the impact of these funds for at least 15 years
- 3. Create positions in the Mayor's Office including an Executive Director of Overdose Response and an Opioid Restitution Program Manager
- 4. Establish a Restitution Advisory Board
- 5. Outline key documents that the City will publish for accountability and transparency Read the full Executive Order or view the Executive Order Overview. For comments about the Executive Order, email overdoseresponse@baltimorecity.gov.

Overdose Response Strategic Plan

Under the leadership of Mayor Brandon M. Scott, as outlined in the <u>Executive Order</u>, BCMOOR was charged with creating a coordinated, city-wide response to address the overdose crisis in Baltimore City.

The strategy is grounded in a <u>comprehensive needs assessment</u> that analyzes both quantitative (statistics and numbers) and qualitative (stories and voices) data. Quantitative data from over 16 data sources were included and over 300 stakeholders—including people who actively use drugs, people who were in treatment, family and friends of people who use drugs, providers, and city staff—contributed insights.

The <u>Overdose Response Strategic Plan</u> is a living document—open to ongoing community feedback. Residents are encouraged to contribute their voices to ensure Baltimore's response reflects the needs and aspirations of every neighborhood. Please submit comments on the <u>Public Feedback Form</u> by August 29, 2025 or attend a community listening session in July.

Restitution Advisory Board

As of February 12, 2025, the Mayor announced the Restitution Advisory Board. Read more about the board here.

Restitution Advisory Board Meetings

Meetings are being held on the last Wednesday of each month.

Local News

Judge gives Baltimore more time to accept reduced opioid settlement or receive new trial

Ву

Updated on: June 27, 2025 / 4:25 PM EDT / CBS Baltimore

Baltimore now has until August 8 to decide whether it will accept a reduced settlement from a verdict against two drug distributors or accept a new trial, according to the Baltimore Banner.

<u>Two weeks ago</u>, Baltimore City Circuit Judge Lawrence Fletcher-Hill ruled in favor of the companies McKesson and AmerisourceBergen, that the jury's award to the city was too high, and that jurors attributed too much blame to the companies for the opioid crisis.

Baltimore was presented with the option of accepting a \$52 million payout, an 80% reduction from the city's \$266 million settlement, or undergoing a new trial.

Why did Baltimore sue drug companies?

The city accused the drug distributors of contributing to the opioid crisis by failing to monitor and stop suspiciously large orders of opioid painkillers to Baltimore pharmacies.

The Banner reported that companies supplied about 60% of the half a billion opioids that flooded Baltimore and Baltimore County between 2006 and 2019, according to federal drug dispensing data.

A June 2024 report published by the Baltimore Banner and the New York Times found that the death toll from opioid deaths among residents reached more than 6,000 over the past six years – more than double that of any other large U.S. city.

How is Baltimore tackling the opioid crisis?

To begin tackling the city's opioid crisis, the city is using \$242.5 million in settlement funds that stemmed from a lawsuit against multiple pharmaceutical companies.

In August 2024, Baltimore Mayor Brandon Scott <u>outlined an executive order</u> that specified how the funds would be used.

The executive order established the Baltimore City Opioid Restitution Fund. It also created two new positions to oversee the use of the settlement money and required that the city publish an overdose reduction strategy.

The Board of Estimates and the Baltimore City Council have <u>already started planning</u> on how to use the funds.

Included in the order is the allocation of \$20 million to the city's health department for overdose prevention efforts, and \$42 million was already earmarked for specific substance abuse organizations throughout Baltimore.

The fund will be managed in an account separate from the general fund so that the money is not misappropriated.

PUBLIC HEALTH AND ENVIRONMENT COMMITTEE

LO25-0022

AGENCY REPORTS AND/OR HANDOUTS

NONE AS OF THIS WRITING

PUBLIC HEALTH AND ENVIRONMENT COMMITTEE

LO25-0022

WRITTEN TESTIMONY

SEE ATTACHED

2 RECEIVED AS OF THIS WRITING

Currin, Marguerite (City Council)

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Testify Before the Baltimore City Council On which bill would you LO25-0022 - Oversight of the Opioid Restitution Funds like to testify? Dave Fell Name Affiliation Behavioral Health Leadership Institute **Email** dave.fell@bhli.org Phone Number (610) 597-9184 Address 2601 N Howard St, Baltimore, MD, 21218 Position **Comment Only** Type of Testimony Oral

Currin, Marguerite (City Council)

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Testify Before the Baltimore City Council On which bill would you LO25-0022 - Oversight of the Opioid Restitution Funds like to testify? Name Deborah Agus Affiliation Behavioral Health Leadership Initiative **Email** deborahagus@bhli.org Phone Number (443) 838-5583 Address 2601 N Howard St, Baltimore, MD, 21218 Position **Comment Only** Type of Testimony Oral