



LO25- 0022: OVERSIGHT OF THE OPIOID RESTITUTION FUNDS

JULY 16, 2025



Brandon M. Scott
Mayor

Agenda

1. Background on the Opioid Lawsuits and Settlements
2. Establishment and Governance of the Opioid Restitution Fund
3. Status of Funds Received and Future Disbursements
4. Funding Allocations and Oversight
5. Transparency and Public Accountability Mechanisms
6. Engagement and Coordination



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BACKGROUND ON THE OPIOID LAWSUIT AND SETTLEMENTS



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Types of Opioids Settlements

- Settlements with Defendants in the case
 - Terms are broader
 - The net funds are part of the Opioid Restitution Fund
- National settlements (including bankruptcy settlements)
 - List of approved uses
 - City must report how it spends the money
 - Overseen by the Health Department
 - These funds are not part of the Opioid Restitution Fund



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Lawsuit Timeline | 1 of 7

January 2018: Baltimore files a lawsuit that ultimately includes manufacturers and distributors of opioids in the Circuit Court for Baltimore City.

Defendants include:

- Purdue Pharma
- Members of the Sackler Family
- Johnson and Johnson/Janssen
- McKesson
- AmeriSourceBergen
- Cardinal Health
- CVS
- Walgreens
- Rite Aid
- Mallinckrodt
- Endo
- Teva
- Allergan



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Lawsuit Timeline | 2 of 7

- Primary claim against these Defendants is public nuisance.
- **A public nuisance is an unreasonable interference with a right common to the general public.** An unreasonable interference is one that significantly impairs the public health, public safety, the public peace, the public comfort, and/or the public convenience.
- **Among other allegations, the City contended that** these defendants misled the public about the dangers of opioid use, engaged in conduct to encourage doctors to overprescribe opioids and to prescribe them for off label use, failed in their duties to monitor for suspicious orders and report them, and turned a blind eye to diversion of their pills.



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Lawsuit Timeline | 3 of 7

- **2011:** Fatal heroin overdoses in Baltimore dropped to an all-time low of 76.
- **2016:** Fatal overdoses totaled nearly 700 and then began to exceed 800 per year. The rise coincided with the peak years of the prescription opioid epidemic and the subsequent government crackdown.
 - It is estimated that **80 percent** of heroin users got their start with prescription drugs.
- **2023:** The San Francisco Chronicle reported that Baltimore had the highest overdose rates per capita in the country, with 174.1 overdoses per 1,000 people.



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Lawsuit Timeline | 4 of 7

- **2019:** Defendants moved to dismiss the Complaint. Court held hearings on the motions.
- **2019-2023:** No significant movement from the Court.
- **September 2019:** Purdue Pharma declared bankruptcy.
- **2020:** Mallinckrodt declared bankruptcy.
- **2021:** Maryland reaches a global settlement with Johnson and Johnson and the "Big Three": McKesson, Cardinal, and ABDC. The City's projected share was \$61.36M, paid over 18 years. The City declined to participate.
- **2021:** Maryland reaches a global settlement with McKinsey, in which the City later participates.



Lawsuit Timeline | 5 of 7

- **2022:** Maryland reaches a settlement with Teva, Allergan, Walmart, and Walgreens, but opts out of the national CVS settlement. The City's estimated share was \$11.4M for Teva (over 13 years), \$6.4M for Allergan (over 6 years), \$15.3M for Walgreens (over 15 years), and \$7.2M for Walmart (over 6 years). The City signed onto the Walmart settlement but declined to participate in the remaining agreements.
- **August 2022:** Endo declares bankruptcy.
- **March 2023:** Court issues scheduling order. Fact discovery begins.
- **October 2023:** Rite Aid declares bankruptcy.
- **March 2024:** Expert discovery begins.



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Lawsuit Timeline | 6 of 7

- **April 2024:** Law recommends that the Mayor's Office create an oversight system for potential opioid settlement dollars
- **June 2024:** City settles with Allergan for \$45M
- **August 2024:** City settles with CVS for \$45M and Cardinal Health for \$152.5M
- **September 2024:** City settles with Walgreens for \$80M, Teva for \$80M, and Johnson and Johnson for a to be announced amount.
- **September 2024:** Trial commences against the remaining 2 defendants, McKesson and ABDC
- **September 2024:** Maryland accepts the global settlement offer with Kroger, onto which the City also signs.



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Lawsuit Timeline | 7 of 7

- **November 2024:** Jury returns verdict of \$266M against McKesson and ABDC
- **December 2024:** Abatement trial
- **February 2025:** Argument on post trial motions and abatement
- **June 2025:** Judge issues an order requiring that the City accept a remittitur that reduces the verdict to about \$52M or a new trial
- Upon the City's request, the judge agreed to set a **deadline for August 8, 2025**, for the City to decide, with the judge notifying the parties of his abatement decision approximately 2 weeks in advance.
- **June 2025:** Maryland signs onto the global settlement with the Sackler family. The City's projected portion of the settlement is to be determined.



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Terms of ORF Settlements | 1 of 2

- **Allergan (\$45M):** At least \$5M must be allocated to the Peer Navigator Program and \$5M to Charm City Care Connection
- **Teva (\$80M):** The City's net recovery must be used solely for opioids remediation with not less than \$5m to 988 Education and Outreach, \$3M for Penn North Recovery Center, and \$2M for Bmore Power.
- **Walgreens (\$80M):** The City's net recovery must be used solely for opioids remediation with not less than \$2M for the Maryland Peer Advisory Council, \$1M for We Our Us, \$1M for On Our Own, \$1M for the Maryland Coalition of Families, \$15M to create 24/7 outreach programs, \$5M for 988 Education and Outreach, and \$10M for Baltimore Comprehensive Overdose Response to End the Epidemic (BCORE).



Terms of ORF Settlements | 2 of 2

- **Cardinal Health (\$152.5M):** The net recovery must be used solely for opioids remediation with not less than \$5M for Tuerk House, \$5M for Helping Up Mission, \$3M for Baltimore Safe Haven, \$3M for Hope Safe Haven, \$2M for More than a Shop, \$1M for Marian's House, and \$1M for Turnaround Tuesday.
- **CVS (\$45M):** The net recovery must be used solely for opioids abatement with \$5M for LEAD, \$5M for Healing City Baltimore, \$1M for Roberta's House, and \$1M for From Prison Cells to PhDs.
- **Johnson and Johnson (TBA):** The net recovery must be used solely for opioid remediation.
- **McKinsey (\$698K):** No restrictions



Terms of National Settlements

- **Kroger (\$1.6M)**: Global settlement must be spent on a list of approved uses relating to drug treatment and remediation.
- **Walmart (\$7.2M)**: Global settlement must be spent on a list of approved uses relating to drug treatment and remediation
- **Mallinckrodt (\$1.1M)**: Bankruptcy settlement must be spent on a list of approved uses relating to opioid treatment and remediation
- Amount of the Purdue, Endo, and RiteAid bankruptcy settlements and the conditions placed thereon are to be determined; conditions likely to be similar





ESTABLISHMENT AND GOVERNANCE OF THE OPIOID RESTITUTION FUND



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Mayor Scott's Executive Order

On August 29, 2024, Mayor Scott issued an Executive Order to establish the City's approach to managing restitution funds received

- Establish a separate Baltimore City Opioid Restitution Fund (ORF)
- Establish a trust fund that will sustain the impact of these funds for at least 15 years
- Establish a Restitution Advisory Board
- Prepare an Overdose Response Strategic Plan informed by a Needs Assessment
- Outline key documents that the City will publish for accountability and transparency



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Opioid Restitution Fund

Mayor Scott's Executive Order stipulates certain **allowable uses** related to substance use disorder abatement for the ORF

- Programs, services, and supports that address prevention, treatment, recovery, harm reduction, the social determinants of health, and harms caused by the opioid epidemic
- Infrastructure for such programs, services, and supports
- Oversight, planning, assessing, and monitoring of programs
- Expenses associated with managing, investing, and disbursing ORF funds
- Evaluations and outcomes reporting



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Restitution Advisory Board

Mayor Scott's Executive Order established a board of community members to partner with the City in reviewing grant applications and making funding recommendations

- Comprised of **people with lived or living experience; treatment, harm reduction, and wraparound service providers; public health experts; and local Baltimore City officials**
- RAB's role is to help ensure that Baltimore City residents have a seat at the table in the decision-making process for the use of ORF funds
 - Funding recommendations align with findings in **Needs Assessment** and strategies contained in **Strategic Plan**
 - RAB's recommendations go to Mayor for final approval



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STATUS OF FUNDS RECEIVED AND FUTURE DISBURSEMENTS

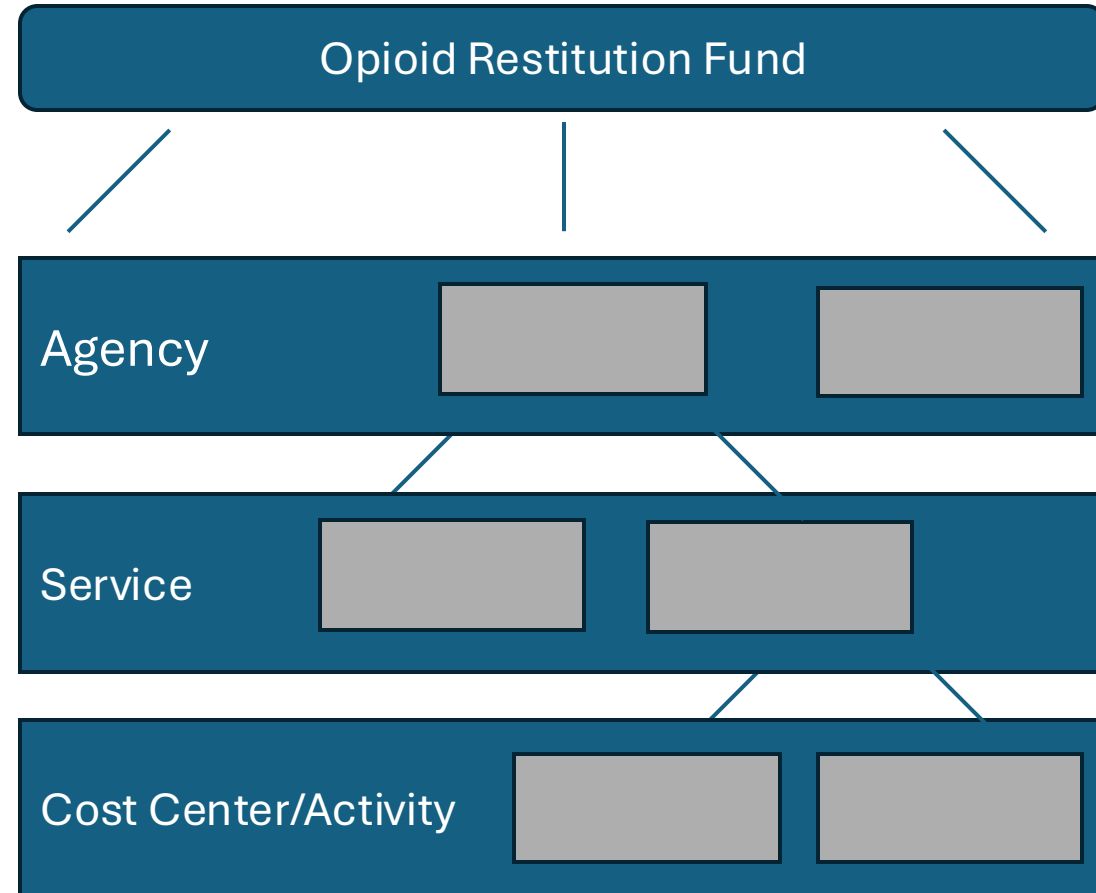


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ORF: Account Structure

Tracking Opioid Restitution Funds

- All revenue and expenditures are being tracked through a special revenue fund.
- Balances from the fund automatically carry forward across fiscal years until they are fully spent or the appropriation is cancelled.
- Funds are segregated from the City's General Fund.
- This structure exists for both City agency expenditures and grant awards made from the fund.



ORF: Current Funding Level

Funds Received: \$236,853,015

- As of July 14, 2025, the City has received \$236.6 million from individual settlements.
- The City anticipates receiving an additional \$23.4 million by end of calendar year 2025.
- Amount received is net of legal fees and does not include amounts subject to ongoing litigation.
- Appropriations made of out fund represent **22%** of the current balance.
- Balances from Fiscal 2025 will carry forward until fully spent down.

Opioid Restitution Fund: Budget vs. Actual Summary

	Budget	Actuals	Difference
Fiscal 2025	14,643,000	526,152	14,116,848
Fiscal 2026	36,726,794	n/a	n/a
TOTAL	\$51,369,794	\$526,152	\$14,116,848



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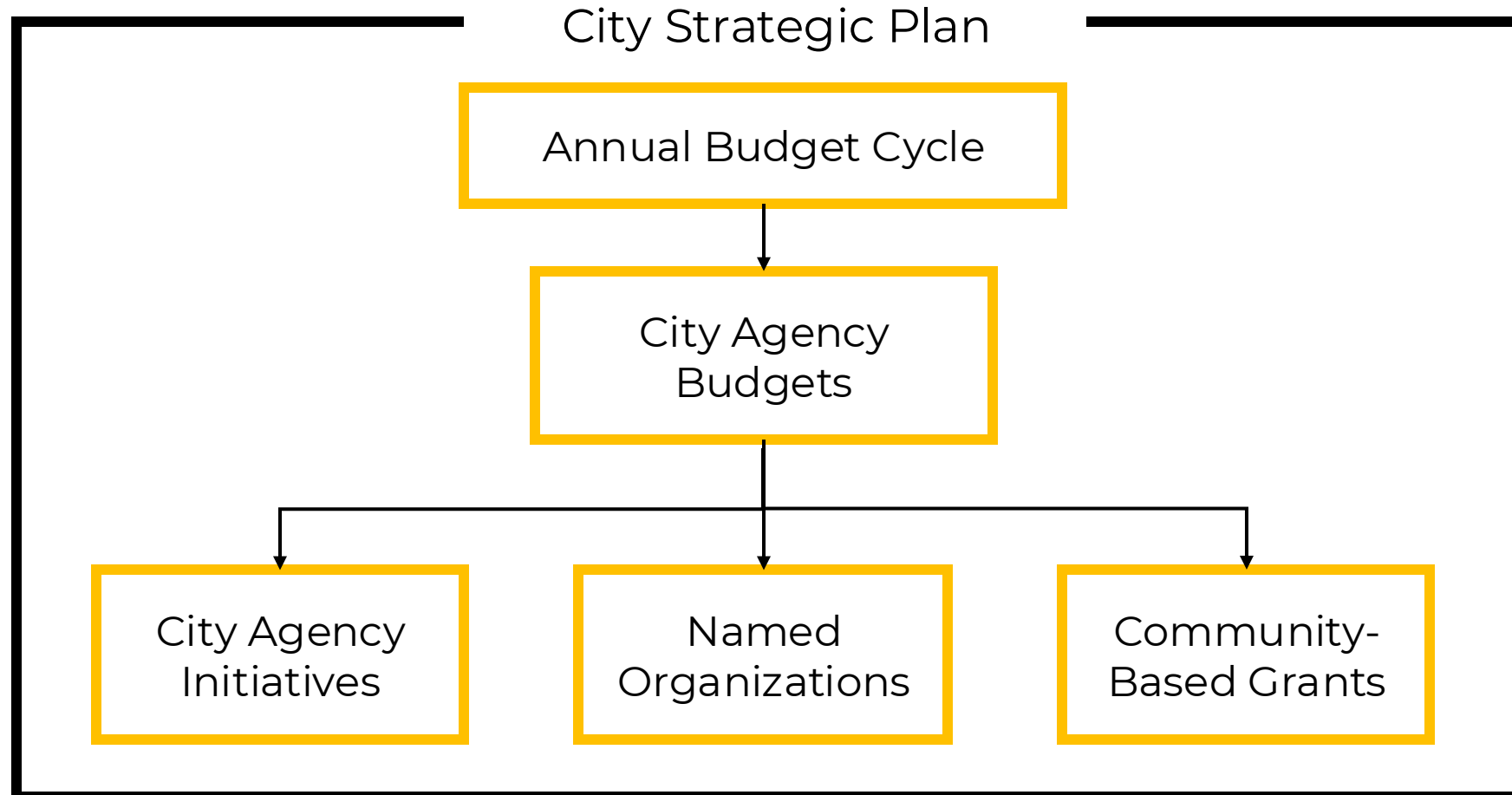


FUNDING ALLOCATION AND OVERSIGHT



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Allocation of ORF



Annual Budget Cycle and Agency Budgets

Development of Annual Budget

Agency requests for funding submitted

Requests evaluated by Mayor and Senior Team based on availability of funds and connection to ORF Strategic Plan

Funding levels reflected in annual budget

Quarterly Oversight

Budget to actual spending monitored on quarterly basis

Updates to quarterly performance tracking year-to-date progress

Monitoring performed by BBMR (City Agencies) and the Recovery Office (Named Organizations)

Report Out

Year-end spending monitored to ensure compliance with budget

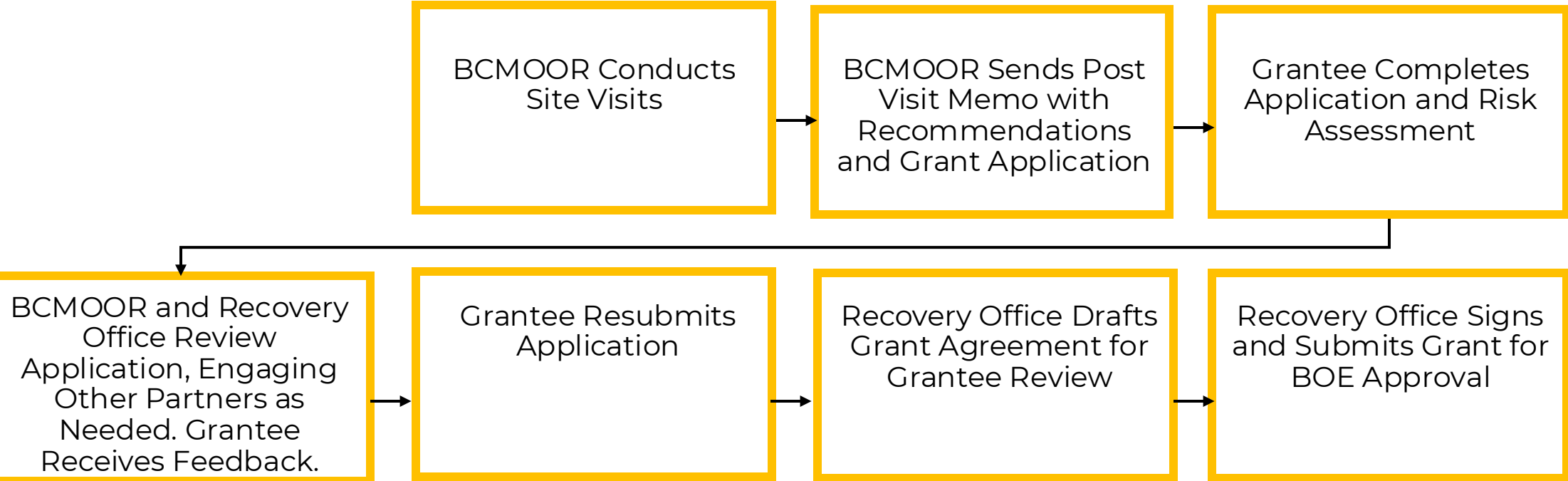
Year-end performance actuals reported.

Year-end results determine priorities for upcoming year



Named Organization Grant Process

There are 22 named programs totaling \$87M in grants. The review process is designed to ensure scope alignment with City priorities, minimize duplication, and maximize impact.



Status of Named Organization Grants

Grant Agreement Stage	Application Stage	Requested Delayed Start
Charm City Care Connection (\$5M) Approved by BOE on 4/2 Maryland Coalition of Families (\$1M) Approved by BOE on 7/2 Roberta's House (\$1M) Approved by BOE on 7/2 Behavioral Health System Baltimore (BHSB)-988 (\$10M) Submitted to BOE for 7/16 BHSB-Bmore POWER (\$5M) Submitted to BOE for 7/16 Turnaround Tuesday (\$1M) Submitted to BOE for 7/16 Baltimore Safe Haven (\$3M) Planning to submit for 8/6 BOE Helping Up Mission (\$5M) Planning to submit for 8/6 BOE	B-Core (\$10M) Healing City Baltimore (\$5M) HOPE Safe Haven (\$3M) Maryland Peer Advisory Council (\$2M) More Than a Shop (\$2M) We Our Us (\$1M) Tuerk House (\$5M) Penn North Recovery (\$3M) From Prison Cells to PhD (\$1M) 24/7 Outreach (\$15M)	BHSB Law Enforcement Assisted Diversion (LEAD) (\$5M) Marian House (\$1M) On Our Own Maryland (\$1M) Peer Navigators Program (\$5M)



Recovery Office Oversight

The Recovery Office is applying best practices from the administration of American Rescue Plan Act funds and developing or revising grant management procedures to adapt to this new context. Examples include:



Risk Assessments, which inform reporting frequency and level and type of monitoring



Grant Agreements, which include detailed scope of work statements, fiscal year budgets, and work plans



Financial Policies, including staff cost allocation, financial reporting and disbursements, indirect costs, among others



Cycle of Monitoring Activities, including monthly performance and status reports, periodic site visits, document reviews, performance meetings, and corrective actions (as needed)



Alignment with Strategic Plan and Response | 1 of 2

Multiple named organizations provide services to Penn North community

- **Bmore POWER (\$2 million)**
 - Grant agreement to be considered at July 16 BOE
 - Scope of work included expanded harm reduction outreach, ability to respond to overdose cluster data
- **Penn North Recovery (\$3 million)**
 - Scope of work still in active review
 - Technical assistance provided by BCMOOR and MORP to ensure alignment with citywide overdose response strategy
- **Peer Navigators Program (\$5 million)**
 - Between Enoch Pratt Library, Maryland Peer Advisory Council, and Healing Cities
 - Expansion of the Library's Peer Navigators training program
 - Requested delayed start



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Alignment with Strategic Plan and Response | 2 of 2

Multiple named organizations provide services to Penn North community

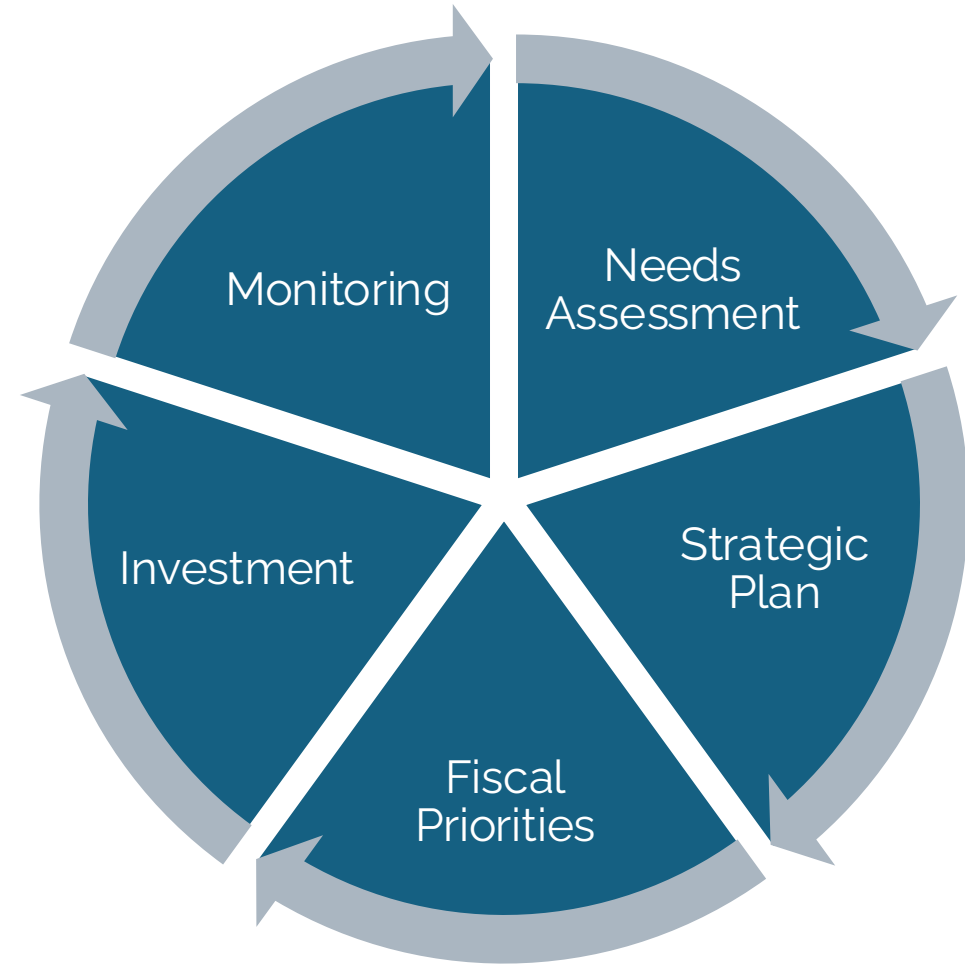
- **BCORE (\$10 million)**
 - Multi-faceted intervention plan to include:
 - Low-barrier linkage to care and social supports
 - Service referral system
 - Telemedicine access line
 - Technical assistance for MOUD in emergency departments
 - Grant application in process
- **BHSB for 988 marketing and outreach (\$10 million)**
 - Grant agreement presented for approval on the 7/16 BOE agenda



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Additional Community-Based Grants

- Requests for Proposals (RFPs) will be released for additional grant funding opportunities for community-based organizations to propose work consistent with Overdose Response Strategic Plan
- Proposals to be evaluated and recommendations will be made by the RAB, and approved by the Mayor



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TRANSPARENCY AND PUBLIC ACCOUNTABILITY MECHANISMS



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Transparency and Accountability

Per Executive Order, transparency and accountability plan to be updated at least once every two years

- The City prepared a draft transparency and accountability plan that was available for public comment from December 17, 2024 to January 17, 2025
 - Webpage to be updated at least monthly
 - Annual report on yearly activities relate to the ORF, including a financial summary of the Trust and expenditures (including details of each recipient)
 - Broader impact evaluation
- RAB Subcommittee incorporating public feedback and preparing updated draft for Mayor's approval



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Dashboards

ORF: Public-facing dashboard providing information on programs receiving funds to be updated at least annually

- Organizations receiving ORF funds agreeing to metrics reporting as part of technical assistance process with BCMOOR and MORP

Data Transparency: Overdose Response Needs Assessment released alongside publicly accessible mySidewalk dashboard

- Maintained by BCHD epidemiologists
- Tracks key health outcomes (including pillar-by-pillar analysis)



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ENGAGEMENT AND COORDINATION



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Importance of Engagement and Coordination

BCMOOR's mission is to coordinate a citywide overdose response—doing so effectively requires coordination across **agencies, sectors, and levels of government**

Overdose Response Strategic Plan is rooted in engaging and coordinating with key partners

- Provides framework for **citywide overdose response** through collaboration in service provision across multiple agencies (i.e. City agencies and BHSB) and community-based organizations
- Proposes engagement on state and federal policies that directly affect Baltimore City's overdose response



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Interagency Engagement and Coordination

Interagency convenings

- **Overdose Cabinet** established to ensure Mayor, City Administrator, and agency heads are coordinated on key overdose issues
- **OverdoseStat** in partnership with OPI to monitor progress on key performance metrics
- **Overdose Working Group** to ensure frequent interagency touchpoints in day-to-day work



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Community Engagement and Coordination | 1 of 2

Public community coordination meetings

- **Overdose Prevention Team**, as required in the State of Maryland, to identify gaps in resources, share relevant data, and promote collaboration
- **Overdose Fatality Review**, as permitted by the State of Maryland, to review cases of overdose deaths with goal of better understanding why overdoses occur and how to better prevent them in Baltimore City
- **Restitution Advisory Board**, per Mayor's Executive Order, to ensure that Baltimore City residents have a seat at the table in decision-making process for use of ORF funds
- **Behavioral Health Collaborative**, plays a central role in the system transformation work needed to satisfy the requirements of Paragraph 97 of the Consent Decree and create system level change needed to address the behavioral health needs of people in Baltimore.



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Community Engagement and Coordination | 2 of 2

Direct engagement with community partners and community members

- **Site visits** to community-based organizations and service providers
- **Networking sessions** with named organizations to promote collaboration
- **Listening sessions** to receive feedback on proposed Strategic Plan
- Participation in **community meetings** focused on ongoing overdose crisis



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Intergovernmental Engagement and Coordination | 1 of 2

Direct engagement with intergovernmental partners

- Federal
 - May 29: Overdose response roundtable with Senator Angela Alsobrooks
- State
 - Check-ins with Maryland Office of Overdose Response
 - Briefing on Strategic Plan
 - February 26: Advocacy day in Annapolis led by BCHD, BHSB, Baltimore Harm Reduction Coalition, Health Care for the Homeless, and the Mayor's Office
- Regional
 - Monthly check-ins with regional settlement leads



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Intergovernmental Engagement and Coordination | 2 of 2

Overdose Response Strategic Plan leverages partnerships with intergovernmental partners to maximize impact

- Activity 3a: Scale up medication for opioid use disorder treatment in correctional facilities and criminal justice detention centers corrections.
- Activity 4b: Create opportunities for collaboration and coordination for providers serving similar geographic regions or service types.
- Activity 7c: Identify and advocate for legislative initiatives to support access to evidence-based harm reduction services and behavioral health services.
- Activity 9d: Increase the number of businesses certified as Recovery Friendly Workplaces.
- Activity 13c: Advocate for and develop partnerships for increased authority at the local level to address quality of care in treatment and certified recovery services.



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THANK YOU
Questions?

