



To: Chief Executive Officers and Counsel for Litigating Municipalities

From: Cara Passaro  
Chief Counsel to the Attorney General and Director of Legislative Affairs

Date: July 21, 2021

Re: *Settlement Agreement with Pharmaceutical Distributors and Johnson & Johnson: Guidance for Municipalities*

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Earlier today, a settlement agreement with the major pharmaceutical distributors and major manufacturer Johnson & Johnson was announced. This agreement is the result of several years of investigation, litigation, and negotiation, as well as coordination with the multidistrict litigation presided over by federal Judge Daniel Polster. The agreement would resolve the claims of both states and local governments across the country, including the nearly 4,000 that have filed lawsuits in federal and state courts. Following today's agreement, states have 30 days to sign onto the deal and local governments in the participating states will have up to 150 days to join. The deal's ratification is contingent on a critical mass of states and local governments participating. More information about the agreement is available [here](#).

This settlement agreement will help bring relief to families and communities across Connecticut who are struggling with opioid addiction. It also resolves investigations and litigation over the companies' roles in creating and fueling the opioid epidemic and requires significant industry changes that will help prevent this type of crisis from ever happening again. Understandably, municipalities will have questions about how this agreement impacts them individually. This document will address some of these initial questions and additional information will be provided as it becomes available.

- How are municipalities included in this agreement?
  - Groups of plaintiffs' counsel for municipalities, who sued in state and federal court, represented the interests of municipalities throughout the settlement agreement negotiations. This nationwide agreement resolves and provides payment for all the current statewide opioid claims that states and municipalities have brought against the companies. It ensures that municipalities receive the help they need to continue fighting the epidemic. It also includes a provision for attorneys' fees.
- How much money will CT municipalities receive from this agreement?
  - Generally speaking, municipalities who agree to the settlement will be receiving 15% of the total settlement proceeds. (CT will receive approximately \$300 million over time.)

- Of the remaining funds, 70% will go to a common abatement fund, to be used on future opioid remediation throughout the state and 15% will go to a state fund to also be spent on opioid remediation/restitution.
- How are the funds to be used by municipalities?
  - Funds are to be used exclusively for opioid abatement purposes, including, but not limited to, expanding access to opioid use disorder prevention, intervention, treatment, and recovery options.
- How will the common abatement fund be distributed?
  - The fund will be distributed through the state Opioid Recovery & Remediation Fund Advisory Council and administered by the state Department of Mental Health and Addiction Services.
  - We expect that a significant portion of these funds will ultimately be distributed to programs statewide that benefit municipalities of all sizes.
- Will municipalities have representation on the Advisory Council?
  - Yes, members of the public will be appointed to the council, including a number of municipal officials.