

Mallinckrodt Expenditure Reporting Form Guide

Housekeeping

- » If you have a technical question, please send a direct message to Mili Patel from Aurrera Health Group.
- » Questions can be submitted at any time via the Q&A feature on your Zoom control panel.
- » Today's meeting materials will be available following the webinar.

Agenda

- » Background on Mallinckrodt Bankruptcy
- » Mallinckrodt Bankruptcy Expenditure Requirements
- » Mallinckrodt Expenditure Reporting Form
- » Q&A with Participants

Who Should Attend This Webinar

- » This webinar will cover the process for reporting on funds received from the Mallinckrodt Bankruptcy from NOAT II.
- » Cities and counties are required to complete DHCS expenditure reporting for Mallinckrodt Bankruptcy funds **only if they received these funds** directly from NOAT II.
- » If cities and counties opted out of direct payment for the Mallinckrodt Bankruptcy from NOAT II, **they do not need to complete reporting.**
- » If you have questions about your city or county's status, contact your city or county counsel, or outside counsel handling opioid-related matters.

How to Ask Questions

- » Type your comments in the Q&A box on your Zoom control panel.
- » Today's webinar will provide an opportunity for questions. DHCS will focus on questions that are applicable to all cities and counties.
- » If you have questions about your specific plan for spending bankruptcy funds, send an email to OSF@dhcs.ca.gov.

Background on the Mallinckrodt Bankruptcy



Status of the Mallinckrodt Bankruptcy

- » An initial bankruptcy agreement with Mallinckrodt Pharmaceuticals was reached in February 2022. Bankruptcy funds are managed by a National Opioid Abatement Trust II (NOAT II).
- » On August 28, 2023, Mallinckrodt Pharmaceuticals announced a second bankruptcy filing, which was approved on October 10, 2023.
 - Before the second filing, Mallinckrodt Pharmaceuticals made a one-time payment of \$250M to the Master Distribution Trust II (MDT II).
 - California is expected to receive over nine percent (9.9%) of the \$250M.

*Based on payment information provided by National Opioid Abatement Trust (NOAT) II Trustees.

Funding Allocation Structure

- » The division of funds within California is governed by the [California Statewide Abatement Agreement](#).

Fund Type	Allocation	Funds Received (as of March 2023)
Local Government Share (60%)	Allocated to all participating cities and counties.	\$9,028,309.20
State Share (40%)	Allocated to the state of California.	\$6,018,881.00

Mallinckrodt Bankruptcy Payments

- » A list of Mallinckrodt bankruptcy payments received by cities and counties is available on the [DHCS OSF website](#).
 - The list is updated as of April 2023.
- » Allocations for participating cities are automatically reallocated to their respective counties unless the city opts into direct payment from the Distributors Settlement.
- » Information about payments made to California can be found on the [NOAT website](#).
- » If you have questions about your allocation, contact NOAT II at info@NationalOpioidAbatementTrust.com.

DHCS Mallinckrodt Bankruptcy Reporting

- » The [Department of Health Care Services](#) (DHCS) is tasked with collecting annual expenditure reports from cities and counties receiving funds directly from NOAT II.
 - DHCS will use these reports to complete the State's Beneficiary Abatement Use Report to the NOAT II Trustees.
- » DHCS **does not** distribute payments to cities and counties.
 - Opioid bankruptcy payments come from the National Opioid Abatement Trust (NOAT) II Trustees.

Mallinckrodt Bankruptcy Expenditure Requirements



Focus on Opioid Remediation

- » The Mallinckrodt Bankruptcy follows the definition of opioid remediation as defined in the National Opioid Settlement Agreements.
- » Opioid remediation is defined as “care, treatment, and other programs and expenditures ... designed to:
 - a) address the misuse and abuse of opioid products,
 - b) treat or mitigate opioid use or related disorders, and
 - c) mitigate other alleged effects of, including on those injured as a result of, the opioid epidemic.

Exhibit 4 of the Mallinckrodt Bankruptcy Plan

- » Funds must be used for **future** opioid remediation in one or more of the opioid remediation activities listed in [Exhibit 4](#) of the Mallinckrodt Bankruptcy Plan (same as [Exhibit E](#) of the National Opioid Settlement Agreements).
- » Exhibit 4 is broken into Schedule A (Core Strategies) and Schedule B (Approved Uses). Schedule B is a longer list of many types of opioid remediation activities, while Schedule A is a shorter list of core strategies that should be prioritized.
 - No less than 95% of Mallinckrodt funds received must be used on Exhibit E/Exhibit 4 opioid remediation activities.

Differences in Expenditure Requirements

» Opioid Settlements

- Funds must be used for **future** Opioid Remediation in one or more areas listed in Exhibit E of the National Opioid Settlement Agreements.
- No less than fifty percent (50%) of the funds received from the CA Abatement Accounts Fund in each calendar year must be used for one or more of the California High Impact Abatement Activities (HIAA).
- Administrative costs must not exceed actual costs or **ten percent (10%)** of the total allocation.

» Mallinckrodt Bankruptcy

- Funds must be used for **future** Opioid Remediation through one or more of the strategies listed in Exhibit 4 of the Mallinckrodt Bankruptcy Plan.
- No HIAA expenditure requirement.
- Administrative costs must not exceed **five percent (5%)** of the total allocation.

Mallinckrodt Bankruptcy Expenditure Reporting Form



DHCS Expenditure Reporting Comparison

» Opioid Settlements

- Cities and counties shall only submit one (1) expenditure report annually for funds received from the opioid settlements.
- DHCS will prepare an annual written report regarding the use of funds from the settlements.
 - These reports will continue until all funds are fully expended and for one year thereafter.
 - These reports will be made publicly available on the DHCS web site.

» Mallinckrodt Bankruptcy

- Cities and counties shall only submit one (1) expenditure report annually for funds received from the bankruptcy.
- DHCS will compile local reports to complete the State's Beneficiary Abatement Use Report to the NOAT II Trustees.
 - These reports will continue until all funds are fully expended and for one year thereafter.

Submission Requirements

- » Local Governments shall only submit one (1) expenditure report annually for funds received from the settlements.
- » It is the Local Government's responsibility to collect all required information regarding the Mallinckrodt bankruptcy funds they have received and to compile it into a singular report. This includes information from contractors or subgrantees.
 - Do **not** send the expenditure reporting form to contractors or subgrantees to whom you may have awarded your opioid settlement funds.
- » Please note that the online form can only be completed by one (1) person.

Form Structure

- » Mallinckrodt NOAT II Payments
- » Reallocations to/from other Local Governments
- » Expenditures, including Approved Use Categories
- » Administrative Expenses
- » Attestations

Support Documents

- » The Necessary Materials Checklist
- » Question and Answer document
- » Mallinckrodt Expenditure Reporting Form PDF Preview
- » List of Opioid Remediation Uses (Exhibit E/Exhibit 4)
- » California's Mallinckrodt Statewide Allocation Agreement

Online Mallinckrodt Expenditure Reporting Form



Section 1. General Information

- » This section requires information about:
- Your Local Government; and
 - The individual preparing the form.

1. General Information

This section will ask for general information about your Local Government and the person preparing the report.

Local Government:

(Select the correct Local Government you are reporting for. A list of Local Governments can be found within California's Mallinckrodt [Statewide Allocation Agreement](#).)

Local Government address:

(Please format as 0000 Street Name, City, State Initials Zip Code.)

Name of preparer:

(Please include the first and last name of the individual preparing this form.)

Job title or classification:

(Please indicate the job title or job classification of the individual preparing this form.)

Preparer email address:

(This email will receive confirmation of the report submitted. Please ensure that it is correct.)

Confirm email address:

Preparer phone number:

Payments & Expenditures



Section 2. Payments

- » List total amount of bankruptcy funds received from NOAT II.
- » List the total interest earned from bankruptcy funds received from NOAT II.

2. Payments

This section will cover bankruptcy funds received from NOAT II, interest earned, and reallocations to and from your Local Government.

1. Total amount of bankruptcy funds received from NOAT II from July 1, 2022 – June 30, 2023:

2. Total interest earned on bankruptcy funds received from NOAT II from July 1, 2022 – June 30, 2023:

Section 2. Reallocations

- » Local Governments must also report:
 - Reallocations **to** another Local Government.
 - Reallocations **from** another Local Government.
- » For each reallocation, please note:
 - The other Local Government.
 - Amount reallocated.

Reallocations To Another Local Government
Local Governments may agree to reallocate their payments among themselves, provided that any direct distribution may only be to a Local Government and any Local Government must agree to their share being reallocated.

3. Did you reallocate any of your bankruptcy funds received from NOAT II to another Local Government?

Yes

No

Reallocations to Another Local Government
3a. Enter the exact amount of bankruptcy funds that your Local Government reallocated to other Local Governments from the period of July 1, 2022 - June 30, 2023. Please list all reallocations individually below.

	Local Government that received the reallocated funds	Amount reallocated
1	<input type="text"/>	<input type="text"/>
2	<input type="text"/>	<input type="text"/>
3	<input type="text"/>	<input type="text"/>
4	<input type="text"/>	<input type="text"/>
5	<input type="text"/>	<input type="text"/>
6	<input type="text"/>	<input type="text"/>
7	<input type="text"/>	<input type="text"/>
8	<input type="text"/>	<input type="text"/>
9	<input type="text"/>	<input type="text"/>
10	<input type="text"/>	<input type="text"/>

A Note on Reallocations

- » This section is intended to capture transfers between Local Governments that happened **after** NOAT II funds were dispersed.
 - Counties who receive redirected funds due to cities opting out of direct payment (i.e., funds reallocated **before** the NOAT II disbursement date) do not need to indicate these transfers.
- » If your city opted out of receiving funds, you do not need to report.

Section 3. Expenditures

- » This question asks if your Local Government has spent any funds received from NOAT II during the 2022-2023 fiscal year.
- » If you answer no, it will skip to the end of the expenditures section.
- » If you answer yes, there are additional expenditure questions to answer.

3. Expenditures

In this section, Local Governments will report their expenditures.

Did your Local Government expend any bankruptcy funds during the period of July 1, 2022 - June 30, 2023?

Yes

No

Section 3. Expenditures














3. Expenditures

- » List total amount of funds expended from bankruptcy funds received from NOAT II during the 2022-2023 fiscal year.
- » You will be asked to categorize funds by Exhibit E/Exhibit 4 categories.

Please list the total amount of bankruptcy funds from NOAT II that were expended during the period of July 1, 2022 - June 30, 2023.

Select the Approved Opioid Abatement Use category and state the total amount of bankruptcy settlement funds that were spent.

To see the types of expenses under each category, please see the [Allowable Expenses document](#).

	Total Expenditures	Approved Opioid Abatement Use Category
	Total Expenditures	
1	<input type="text"/>	Treat opioid use disorder (OUD) 
2	<input type="text"/>	Support people in treatment and recovery 
3	<input type="text"/>	Connect people who need help to the help they need (connections to care) 
4	<input type="text"/>	Address the needs of criminal justice-involved persons 
5	<input type="text"/>	
6	<input type="text"/>	
7	<input type="text"/>	
8	<input type="text"/>	
9	<input type="text"/>	
10	<input type="text"/>	
11	<input type="text"/>	
12	<input type="text"/>	
13	<input type="text"/>	

Section 3. Expenditures

- » Identify the associated sub-strategy for each selected category of Exhibit E/Exhibit 4.
- » Only one sub-strategy may be selected for each category. Please select the sub-strategy that best corresponds to the project/activity.

Select the specific strategies for **Treat Opioid Use Disorder (OUD)** that your activity or program meets.

Support treatment of OUD and any co-occurring SUD or Mental Health conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

Expand availability of treatment for OUD and any co-occurring SUD/MH conditions, including all forms of MAT approved by the U.S. F.D.A.

Support and reimburse evidence-based services that adhere to the American Society of Addiction Medicine (ASAM) continuum of care for OUD and any co-occurring SUD/MH conditions

Expand telehealth to increase access to treatment for OUD and any co-occurring SUD/MH conditions, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services

Improve oversight of Opioid Treatment Programs (OTPs) to assure evidence-based or evidence-informed practices such as adequate methadone dosing and low threshold approaches to treatment

Support mobile intervention, treatment, and recovery services, offered by qualified professionals and service providers, such as peer recovery coaches, for persons with OUD and any co-occurring SUD/MH conditions and for persons who have experienced an opioid overdose

Provide treatment of trauma for individuals with OUD (e.g., violence, sexual assault, human trafficking, or adverse childhood experiences) and family members (e.g., surviving family members after an overdose or overdose fatality), and training of health care personnel to identify and address such trauma

Administrative Expenses



Section 4. Administrative Expenses

- » No more than **five percent (5%)** of the NOAT II funds received by a Local Government may be used to fund expenses incurred in administering the distributions for the Approved Opioid Abatement Uses.

4. Administrative Expenses

Per Section 2 of the NOAT II Trust Distribution Procedures, qualifying expenditures may include reasonable related administrative expenses.

Please provide the amount of bankruptcy funds spent on administrative costs.

Administrative costs are defined as expenses incurred in administering the distributions for Approved Opioid Abatement Uses, including the process of selecting programs to receive distributions of bankruptcy funds for implementing those programs.

Per Section 2 of the NOAT II Trust Distribution Procedures, no more than 5% of the bankruptcy funds may be used to fund expenses incurred in administering the distribution for the Approved Opioid Abatement Uses. During the period of July 1, 2022 - June 30, 2023, did your Local Government expend more than 5% of the bankruptcy funds on administrative expenses?

Yes

No

I acknowledge on behalf of my Local Government that no more than 5% of the bankruptcy funds may be used to fund expenses incurred in administering the distributions for the Approved Opioid Abatement Uses.

×

SIGN HERE

clear

Section 5. Technical Assistance

- » Technical Assistance is available.
- » Send a completed [Technical Assistance Request Form](#) to OSF@dhcs.ca.gov.
- » Other resources are available on the [DHCS OSF website](#).

15. Technical Assistance

Does your Participating Subdivision want technical assistance on how to spend opioid settlement funds?

Yes

No

Please see the following technical assistance (TA) request form below. Please use the TA Request Form to formally submit a request for technical assistance or consultation.

- [Technical Assistance Request Form](#)

DHCS has created several resources for technical assistance and also has an official TA request form where Participating Subdivisions can request consultation and assistance in how to spend their opioid settlement funds. These resources can be found on the [DHCS OSF website](#).

Section 6. Attestations

- » Lastly, the Mallinckrodt Expenditure Reporting Form must be certified.
- » The form allows for a signature to be added.

6. Attestations

I certify and attest on behalf of my Local Government that all funds received have been used in compliance with the requirements of the [California Mallinckrodt Statewide Allocation Agreement](#) and the [NOAT II Trust Distribution Procedures](#).

×

SIGN HERE

clear

I certify and attest on behalf of my Local Government the information included in this report is provided by the Beneficiary identified above in accordance with requirements of the [California Mallinckrodt Statewide Allocation Agreement](#) and the [NOAT II Trust Distribution Procedures](#).

×

SIGN HERE

clear

Next Steps

- » The online reporting form was sent to all Local Governments contacts this morning. Please reach out to OSF@dhcs.ca.gov if you did not receive the link.
- » **The reporting form will open today, October 25, 2023.**
- » **Reports are due on November 30, 2023.**
 - A grace period to December 31, 2023, will be granted for the first year of reporting.

Past Webinars & Listening Sessions

- » [Opioid Settlement Agreement Expenditure Reporting Form](#) (August 1, 2023)
 - *Opioid settlement reporting is provided through a different form. These reports are due October 31, 2023.*
- » [Working with Local Opioid Coalitions](#) (June 21, 2023)
- » [Considerations for Allocating Settlement Funds](#) (April 4, 2023)
- » [Opioid Settlement Allowable Expenses](#) (January 26, 2023)
- » [Opioid Settlement Reporting Requirements](#) (December 7, 2022)

More Information & Resources

- » For more information on opioid settlement funds, visit the [DHCS OSF webpage](#).
- » For questions or feedback on today's presentation, please email OSF@dhcs.ca.gov.
- » To request technical assistance, fill out the [TA request form](#) located on the DHCS OSF webpage.

Questions?

