Opioid Settlement Expenditure Reporting Form Guide

CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

June 2025

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.

Past Webinars & Listening Sessions

- Annual Meeting on California Opioid Settlements Expenditures Report for SFY 22-23 (February 26, 2025)
- California Opioid Settlement Expenditure Reporting Form Updates (June 26, 2024)*
- Mallinckrodt Expenditure Reporting Form Guide (October 25, 2023)*
- Opioid Settlement Agreements Expenditure Reporting Form Guide (August 1, 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)*

*Previous guidance may be superseded by this webinar. Please default to the information provided in this session.

Agenda

- Status of California's Opioid Settlement & Bankruptcy Agreements
- California Opioid Settlements & Bankruptcy Required Reporting
- Summary of Financial Reporting Survey Results
- SFY 2024-25 Expenditure Reporting Form Updates
- Q&A with Participants
- Next Steps

Status of California's Opioid Settlement & Bankruptcy Agreements

Status of the Opioid Settlements

- California has reached final agreements with the following opioid manufacturers and distributors:
  - Distributors
  - Janssen
  - Teva
  - Allergan
  - CVS
  - Walmart
  - Walgreens
  - Kroger
  - Hikma *(pending)*
  - Amneal *(pending)*
  - Purdue *(pending)*

- McKinsey has also made payments, but these funds are not under DHCS oversight and annual reporting is not required for the funds received.

Settlement Payment Structure

Fund Type	Allocation	Allowable Uses
California Abatement Accounts Fund (70%)	Allocated to all Participating Subdivisions.	Funds must be used for **future** Opioid Remediation in one or more of the uses described in Exhibit E of the Settlement Agreements.
		No less than 50% of the funds received in each calendar year will be used for one or more High Impact Abatement Activities.
California Subdivision Fund (15%)	Allocated to cities and counties that were Initial Plaintiff Subdivisions.	Funds must be used towards future Opioid Remediation and to reimburse past opioid-related expenses, which may include litigation fees and expenses.
California State Fund (15%)	Allocated to the State of California.	Funds must be used by the State for future Opioid Remediation.

Status of the Bankruptcies

- The final Mallinckrodt payment from NOAT II was disbursed during SFY 2023-24 and no additional payments are anticipated.
  - Cities and counties will need to report on all funds received until all funds received from the Mallinckrodt Bankruptcy are expended.
- Endo has also made a payment to cities and counties, but these funds are not under DHCS oversight and annual reporting is not required for the funds received.

Bankruptcy Payment Structure

Fund Type	Allocation	Allowable Uses
Local Government Share (60%)	Allocated to all participating cities and counties.	Funds must be used for future opioid remediation in one or more of the opioid remediation uses listed in Exhibit 4 of the Mallinckrodt Bankruptcy Plan (Exhibit E of the National Opioid Settlement Agreements).
State Share (40%)	Allocated to the State of California.	Funds must be used by the State for future Opioid Remediation.

Opioid Settlements Oversight Entity: DHCS

- The [Department of Health Care Services](#) (DHCS) oversight responsibilities include:
  - Monitoring cities and counties for compliance;
  - Designating additional high-impact abatement activities;
  - Conducting related stakeholder engagement; and
  - Preparing annual reports.
- DHCS does not make payments to cities and counties. All payments will come from BrownGreer PLC (settlements) or NOAT II (Mallinckrodt bankruptcy).

Opioid Settlements & Bankruptcies Required Reporting

Required Reporting

- Cities and counties receiving funds from the opioid settlements and bankruptcy are required to complete annual reporting to DHCS.
- Per the California State-Subdivision Agreements, DHCS will prepare an annual written report regarding the State's use of funds from the settlements until those funds are fully expended and for one year thereafter. These reports will be made publicly available on the DHCS website.
- Each DHCS annual report will include payment and expenditure information for the previous SFY.

Payments for this Reporting Cycle

» Cities and counties will report on payments received and expenditures during SFY 2024-25 which ran from July 1, 2024, to June 30, 2025.

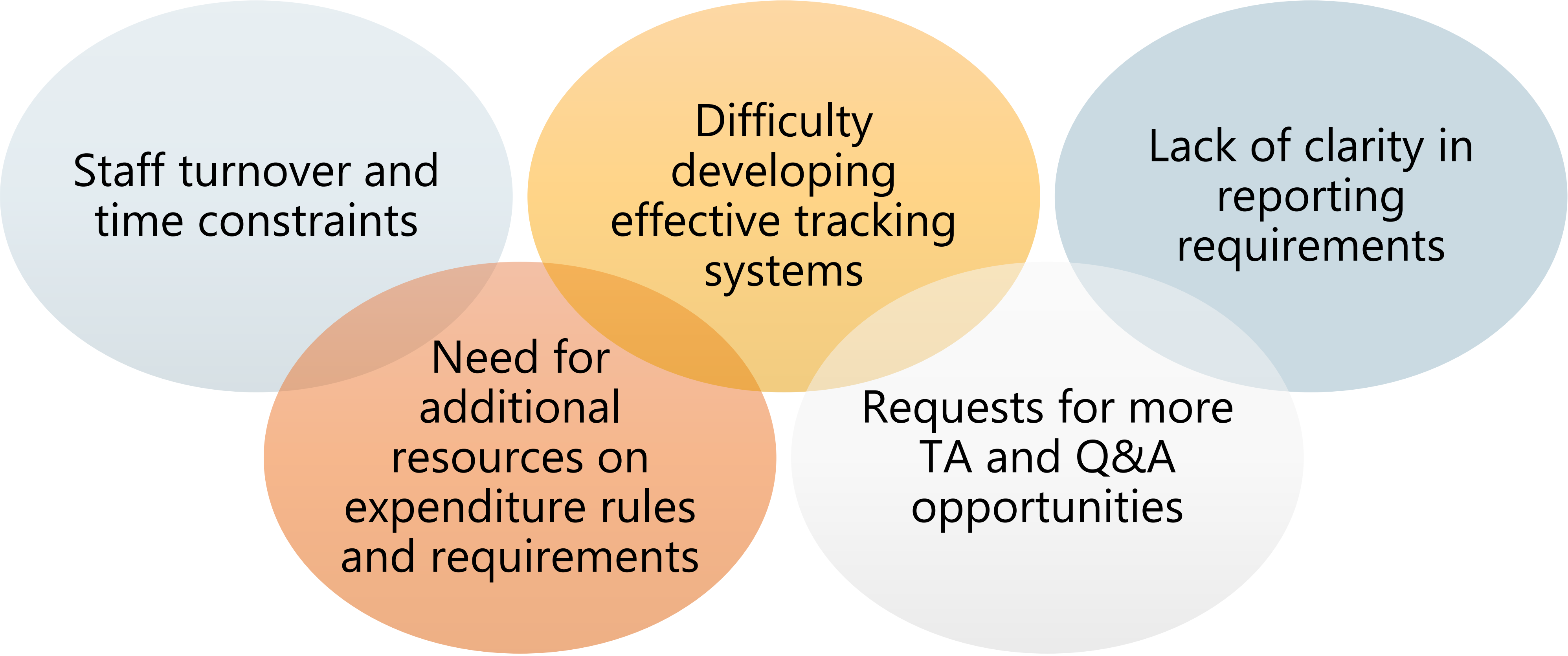
» Depending on which agreements your city or county has opted into, you may have received payments from:

- Distributors
- Janssen
- Teva
- Allergan
- CVS
- Walgreens
- Walmart
- *Mallinckrodt**

Summary of Financial Reporting Survey Results

Financial Reporting TA Survey Themes

» DHCS reviewed the TA survey results and found themes that point to where additional clarity, resources, and support may be needed.



TA Survey Results: Resources and Technical Assistance (1/2)

Challenges Identified	Planned DHCS Supports & Resources
HIAA descriptions could have clearer definitions and examples of strategies	Developing fact sheets and webinars with detailed descriptions and examples
Difficulty understanding the various settlements and bankruptcies	Drafting one pager with reporting requirements and pertinent information by settlement/bankruptcy
Frequent personnel changes require periodic orientation to the settlements	Developing a yearly Opioid Settlement Funds 101 training webinar
Best practices needed for tracking funds	Brainstorming template and worksheet resources to assist with complex tracking

TA Survey Results:
Resources and Technical Assistance (2/2)

Challenges Identified	Planned DHCS Supports & Resources
Additional forms of technical assistance requested outside of TA form	Building in more frequent touch points for office hours and webinars
Distinguishing indirect vs. direct costs and calculating 50% HIAA spending	Updating DHCS policy documents to offer more clarity
Understanding expenditure timeframes and spend down requirements	Updating DHCS policy documents to offer more clarity
More concrete definitions needed for terms within the settlement agreements	Updating DHCS policy documents to offer more clarity

TA Survey Results: Expenditure Reporting (1/2)

Challenges Identified	Expenditure Form Updates
Difficulty tracking and reporting funds received by separate settlements	Report payments by fund type rather than individual settlements.
Calculating interest income by settlement is burdensome; interest generated is kept within one account	Interest is reported in totality on all funds received.
Character limits within the expenditure reporting form are too small (e.g., HIAA justifications)	Expanded character limits throughout key areas and included ability to upload supporting docs (e.g., BHCIP award letters)

TA Survey Results: Expenditure Reporting (2/2)

Challenges Identified	Expenditure Form Updates
Inability to review previous entries	Incorporation of navigation buttons. Exploring additional features to improve functionality of form.

SFY 2024-25 Opioid Settlements Expenditure Reporting Form

Form Structure

Section	Components
Settlements and Bankruptcies	Option to select all settlements and bankruptcies your city or county has received payments from, including reallocated funds.
General Information	Information about the city or county and the individual completing the form.
Payments	Payments received and interest earned from all settlements and bankruptcies (Abatement, Subdivision, and/or Mallinckrodt).
Reallocations	Abatement, Subdivision, and/or Mallinckrodt funds sent to or received from another city or county.
CA Abatement Accounts Fund	Allowable expenses and/or encumbrances of funds and administrative costs.
CA Subdivision Fund	Current/future opioid expenses, past opioid-related expenses (including legal expenses).
NOAT II Bankruptcy Funds	Expenses and administrative costs.
Attestations	Preparer will sign and submit on behalf of the city or county.

Submission Requirements

- Cities and counties shall only submit one (1) expenditure report annually for funds received from the settlements and bankruptcy.
- It is the city or county's responsibility to collect all required information regarding the opioid settlement funds they have received and to compile it into a singular report. This <u>includes</u> information from contractors or subgrantees.
  - Do <u>not</u> send the link to the 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.

Support Documents

- » Expenditure Reporting Form Document Preview
- » Opioid Settlements Expenditure Reporting Form Necessary Materials Checklist
- » Opioid Settlements Expenditure Reporting Q&A
- » List of Opioid Remediation Uses (Exhibit E)
- » List of California Participating Subdivision payments (DHCS webpage – Payment Information)

Preview of Online Expenditure Reporting Form Changes

Section 2. Payments

- This section of the survey will ask which settlement, and bankruptcy funds your city or county has received.

2. Payments

This section of the survey will ask if your city or county received funds from the California opioid settlements and bankruptcies.

Has your city or county ever received any of these settlement funds? If yes, *and* if any portion of those funds remained unspent, unreported, and not reallocated, you must select each settlement agreement from which your Participating Subdivision received funds since 2022. This includes the current SFY 2024-25 and the previous SFY years (SFY 2022-23 and SFY 2023-24). More information on each settlement agreement can be found on the DHCS OSF website. The Payment Information tab includes a List of Payments made to Participating Subdivisions.

- Allergan
- CVS
- Distributors - McKesson, Cardinal Health and Cencora, previously Amerisource Bergen
- Janssen Pharmaceuticals, Inc.
- Teva
- Walgreens
- Walmart
- Did not recieve settlement funds

Section 2. Payments – Mallinckrodt Bankruptcy

- This sub-section will cover bankruptcy funds received from NOAT II.

Mallinckrodt Bankruptcy Important Information

The Mallinckrodt bankruptcy payments concluded in SFY 2023-24. However, if your subdivision has not yet expended or reallocated all Mallinckrodt bankruptcy funds, you must still continue to report on your remaining balances, even if no new expenditures or interest earnings occurred in SFY 2024-25.

Has your city or county ever received Mallinckrodt bankruptcy funds? If yes, and if any portion of those funds remained unspent, unreported, and not reallocated in prior fiscal years, you must choose yes below.

This includes the current SFY 2024-25 and the previous SFY years (SFY 2022-23 and SFY 2023-24).

Yes

No

Section 2. Payments – CA Abatement Accounts Fund

» This sub-section will cover all payments received from the CA Abatement Accounts Fund. Cities and counties will report the sum of all settlements received during SFY 2024-25.

California Abatement Accounts Fund Payments

List all **Abatement settlement dollars received as payments during the SFY 2024-25** to your Participating Subdivisions from the CA Abatement Accounts Fund. Payments are reported as a combined sum of all settlements. Please only list the combined total of California Abatement Fund payments received between July 1, 2024, to June 30, 2025.

Section 2. Payments – Special Master Awards

- This sub-section will cover Special Master Award of Subdivision Costs payments received in SFY 2024-25.

California Subdivision Fund Payments

Did your Participating Subdivision receive Special Master Award of Subdivision Costs payments in SFY 2024-25?

Yes

No

Please list the Special Masters Award Subdivision Cost payments received from July 1, 2024, to June 30, 2025.

Disclosure: Special Master Award of Subdivision Costs must be reported to the directing administrator, BrownGreer.

Section 2. Payments - CA Subdivision Fund

- This sub-section will cover all payments received from the CA Subdivision Fund. Cities and counties will report the sum of all settlements received during SFY 2024-25.

List all **Subdivision settlement dollars received as payments** to your Plaintiff Subdivision from the CA Subdivision Fund during the SFY 2024-25. Please do not include the Special Master Award in this total amount. Payments are reported as a combined sum of all settlements. Please only list the combined total of California Subdivision Fund payments received from July 1, 2024, to June 30, 2025.

Section 2. Payments - Interest Earned

- This sub-section will cover interest earned on **all** funds from all settlements and bankruptcies.

Interest Earned

Is your Participating Subdivision depositing funds into an **interest-bearing** account?

Yes

No

Please list the total amount of interest earned on **all** funds from all settlements and bankruptcies (Abatement, Subdivision, and/or Mallinckrodt) during the SFY 2024-25 (July 1, 2024 – June 30, 2025). **Please do not include any interest previously reported in prior years.**

Section 3. Reallocations

- This section will cover any reallocations of funds between cities and counties.

CA Abatement Fund Reallocations

	Participating Subdivision that received the reallocated funds	Which SFY were funds reallocated from? These amounts must be listed separately for each SFY.	Abatement allocation amount being reallocated (not including interest)
1			
2			
3			
4			
5			
6			
7			
8			

Section 4. Expenditure of Previously Encumbered Funds

- Cost breakdowns for each activity will include direct costs, indirect costs, and any funds encumbered but not expended.
- The form includes an option to note if funds were encumbered in the prior SFY (2022-23).
- DHCS Administrative Cost Policy.

4. Were previously reported encumbered funds included in the Direct or Indirect Costs listed above?

Yes

No

4a. Please report on encumbered funds included in the Direct or Indirect Costs.

How much of the Direct Costs reported above were from previously reported encumbered funds?

How much of the Indirect Costs reported above were from previously reported encumbered funds?

Please note that DHCS will assume that all expended funds, including HIAA, are being spent from the oldest available funds from each settlement.

Section 5. Subdivision Fund - Future Opioid-Related Expenditures

- This subsection will cover future opioid related expenses. Instead of categorizing by Exhibit E, Plaintiff Subdivisions will categorize expenditures by broad categories of opioid remediation.

Answer the following set of questions for each activity or program you will be reporting on for the **CA Subdivision Fund**. Please answer based on the SFY 2024-25.

Future opioid-related expenses are defined in the California State-Subdivision Agreement and the California Opioid Settlement Expenditure Reporting Q&A document.

Please answer the following questions for **Activity #1.**

List how much was expended on this activity or program during the SFY 2024-25 from your **CA Subdivision Fund allocation**.

2. Select one Allowable Expenditure type that applies for this activity.

1 – Address the misuse and abuse of opioid products;

2 – Treat or mitigate opioid use or related disorders;

3 – Mitigate the other alleged effects of, including on those injured as a result of, the opioid epidemic.

Questions?

How to Ask Questions

- Type your comments in the Q&A box on your Zoom control panel.
- If you have questions about your specific plan for spending settlement funds, please complete a TA form and send via email to OSF@dhcs.ca.gov.

Next Steps

Next Steps

- The online reporting form link will be sent to all participating city and county contacts on Tuesday, July 1st. Please reach out to OSF@dhcs.ca.gov if you do not receive the link.
- Only one report should be submitted for each city and county.
- **The reporting form will open on July 1, 2025, and close on September 30, 2025.**

Request for Feedback on Expenditure Reporting Form

- DHCS will host a listening session for cities and counties to provide feedback on the revised expenditure reporting form and suggestions for future expenditure reporting. Additional information regarding this listening session will be released in the coming months.

More Information & Resources

- For more information on opioid settlement funds, visit the DHCS OSF webpage.
- For questions 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.

Thank you!