

Opioid Settlement Expenditure Reporting Form Guide

Housekeeping

- » If you have a technical question, please send a direct message to Audrey Richardson 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

- » [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*Previous guidance may be superseded by this webinar.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

- » Background and Status Update on California's Opioid Settlement & Bankruptcy Agreements
- » California Opioid Settlements & Bankruptcy Expenditure Reporting Form
- » Q&A with Participants

Status of California's Opioid Settlement & Bankruptcy Agreements

Two decorative wavy lines in shades of blue and teal, flowing horizontally across the lower half of the slide.

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
- » Agreements with Hikma and Amneal are pending.
- » California cities and counties received payments from Janssen and the Distributors during SFY 23-24; only these settlements will be listed for reporting in the form.

Status of the Mallinckrodt Bankruptcy

- » Mallinckrodt Pharmaceuticals filed for a second bankruptcy, which was approved in October 2023. This allowed the company to cut \$1 billion from the sum that it owed governments and individuals affected by the opioid crisis.
- » The second Mallinckrodt payment from NOAT II was disbursed during SFY 23-24 and will be included during this reporting period.

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 areas 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.

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 activities 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

- » City and county governments receiving funds from the opioid settlements and bankruptcy are required to complete annual reporting as part of California's Opioid Settlements.
- » 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.
- » The DHCS report will include information about spending from city and county governments receiving funds, including allowable and unallowable uses of funds.

Required Reporting

- » DHCS, in collaboration with UCLA's Integrated Substance Abuse Programs, has updated the expenditure reporting form for cities and counties to report on the use of funds.
- » **The reporting form will open on July 1, 2024, and close on September 30, 2024.**
- » **There will be no automatic extension during this reporting period.**

Opioid Settlements Expenditure Reporting Form



Payments for this Reporting Cycle

- » Cities and counties will report on payments received and expenditures during the 2023-2024 State Fiscal Year, which ran from July 1, 2023, to June 30, 2024.
- » Depending on which agreements your city or county has opted into, you may have received payments from:
 - Janssen
 - Distributors
 - Mallinckrodt

Overview of Changes

Challenges from Last Year	Updates for This Year
Two reporting forms for cities and counties to complete (Settlements & Bankruptcy).	One form which includes both settlements and bankruptcy reporting.
Confusion around which timeframes to refer to in reporting sections (expenditures, reallocations, etc.)	Additional clarification to report and track the payment year that funds are from/being spent in.
No ability to report funds encumbered but not expended during the fiscal year (CA Abatement Accounts Funds only).	Option to indicate funds encumbered but not expended during the fiscal year.
General reporting on past opioid-related expenses (CA Subdivision Fund only)	Specific reporting on uses besides current/future opioid remediation (e.g., past legal expenses or past opioid expenses).

Form Structure

Section	Components
Settlements and Bankruptcies	Option to select all settlements and bankruptcies your city or county has joined.
General Information	Information about the city or county and the individual completing the form.
CA Abatement Accounts Fund	Payments received, interest earned, reallocations, expenses and administrative costs.
CA Subdivision Fund	Payments received, interest earned, reallocations, current/future opioid expenses, past opioid expenses (including legal expenses).
NOAT II Bankruptcy Funds	Payments received, interest earned, reallocations, 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 includes information from contractors or subgrantees.
 - Do not send the expenditure reporting tool 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 Form PDF 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)

Online Expenditure Reporting Form



Section 1. Settlements and Bankruptcies

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

1. Settlements and Bankruptcies

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

Please select whether your city or county has received settlement and/or bankruptcy funds.

Settlements (Janssen Pharmaceuticals, Inc. and/or Distributors - McKesson, Cardinal Health and Cencora, previously Amerisource Bergen)

Mallinckrodt Pharmaceuticals - Bankruptcy

Section 2. General Information

- » This section of the survey will ask for general information about your city or county and the person preparing the report.

2. General Information

This section of the survey will ask for general information about your city or county and the person preparing the report.

Do not include personal information such as phone numbers, email addresses, or personal health information (PHI, 432 CFR). Only submit business information related to the public entity that you are representing. These reports will be made available to the public.

Participating Subdivision/Local Government:

(Select the Participating Subdivision/Local Government for which you are reporting. A list of Participating Subdivisions and Local Governments is available on the [DHCS OSF website](#).)

Section 3. Settlement Funds Information

» This section will cover which settlement funds your city or county has received. Mallinckrodt Bankruptcy information will begin in a later section.

3. Settlement Funds Information

The following sections will focus on settlement funds (Mallinckrodt Bankruptcy information will begin in Section 13). This section will cover which settlement funds your Participating Subdivision has received.

Please select all settlement agreements from which your Participating Subdivision received funds. 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.

Distributors - McKesson, Cardinal Health and Cencora, previously Amerisource Bergen

Janssen Pharmaceuticals, Inc.

CA Abatement Accounts Fund



Section 4. CA Abatement Accounts Fund - Payments

» This section will cover payments received from the CA Abatement Accounts Fund.

4. California Abatement Accounts Fund - Payments

This section will cover payments received from the CA Abatement Accounts Fund.

List all **settlement dollars received as payments during the SFY 23-24** to your Participating Subdivisions from the CA Abatement Accounts Fund. Payments must be reported by each settlement. Please only list the payments received July 1, 2023 – June 30, 2024.

CA Abatement Accounts Fund Payments Received in SFY 23-24

Distributors

Janssen

Section 5. CA Abatement Accounts Fund - Interest

- » This section will cover interest earned on funds from the CA Abatement Accounts Fund.

Please list any interest earned on **all** funds from the CA Abatement Accounts Fund during the SFY 23-24 (July 1, 2023 – June 30, 2024). **Please do not include any interest previously reported in prior years.** If there was no interest earned, write in 0.

Interest Earned on all CA Abatement Account Fund
in SFY 23-24

Distributors

Janssen

***Only interest earned during SFY 23-24 should be reported in this section.**

Section 6. CA Abatement Accounts Fund - Reallocations

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

For funds from the CA Abatement Accounts Fund, enter the exact amount of funds that your Participating Subdivision **reallocated to** other Participating Subdivisions from the period of July 1, 2023 - June 30, 2024. Please list all reallocations below. Reallocations of different fund types and/or fiscal years must be reported individually.

	Participating Subdivision that received the reallocated funds	Amount reallocated	Settlement Type	Which SFY were funds reallocated from?
1	<input type="text"/>	<input type="text"/>	<input type="text" value="v"/>	<input type="text" value="v"/>
2	<input type="text"/>	<input type="text"/>	<input type="text" value="v"/>	<input type="text" value="v"/>
3	<input type="text"/>	<input type="text"/>	<input type="text" value="v"/>	<input type="text" value="v"/>
4	<input type="text"/>	<input type="text"/>	<input type="text" value="v"/>	<input type="text" value="v"/>
5	<input type="text"/>	<input type="text"/>	<input type="text" value="v"/>	<input type="text" value="v"/>

Section 7. CA Abatement Accounts Fund – Allowable Expenses Reporting

- » 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 (22-23).
- » [DHCS Administrative Cost Policy](#).

3. List the associated direct and indirect costs and/or the funds encumbered for this activity or program from the **CA Abatement Accounts Fund** for each settlement. If no money was expended or encumbered from certain settlements, please write in 0.

Encumbered funds are funds obligated to a particular project or program but have not been spent.

Indirect costs are described in the [DHCS Administrative Costs policy](#) for additional guidance.

	Direct Costs for this activity in SFY 23-24	Indirect Costs (Administrative Expenses) for this Activity in SFY 23-24	Funds Encumbered for this activity in SFY 23-24
Distributors	<input type="text"/>	<input type="text"/>	<input type="text"/>
Janssen	<input type="text"/>	<input type="text"/>	<input type="text"/>

Section 7. CA Abatement Accounts Fund – Allowable Expenses Reporting (Cont.)

» In this section, cities and counties will be asked to categorize expenditures by Exhibit E allowable expenses.

7. Select **one** Allowable Expenditure category that applies to this activity.

Please review [Exhibit E](#) before completing this section to review the categories. Select the best option that aligns with the activity.

Treat Opioid Use Disorder (OUD)

Support People in Treatment and Recovery

Connect People Who Need Help to the Help They Need (Connections to Care)

Address the Needs of Criminal Justice-Involved Persons

Section 7. CA Abatement Accounts Fund - Allowable Expenses Reporting (Cont.)

» In addition to Exhibit E categories, at least 50% of the CA Abatement Accounts Fund must be dedicated to an HIAA.

No less than fifty percent (50%) of the funds received by a Participating Subdivision from the Abatement Accounts Fund in each calendar year must be used for one or more of the High Impact Abatement Activities (HIAA).

Which, if any, High Impact Abatement Activities does activity #1 best meet? If HIAA 3, 4, or 5, you will also need to describe the population this activity or program serves. Please see the HIAA definitions in this document.

Select one HIAA category. Provide no more than 200 words to describe how this activity meets the selected High Impact Abatement Activity.

Section 8. CA Abatement Accounts Fund - Administrative Cost Policy

- » In this section, cities and counties will be asked to acknowledge DHCS' [reasonable administrative costs policy](#) (indirect costs).

8. California Abatement Accounts Fund – Administrative Cost Policy

Please review the administrative expenses (indirect costs) policies below.

Pursuant to Section 1 of the National Opioid Settlement Agreements, qualifying expenditures may include reasonable related administrative expenses (indirect costs). Please refer to the [DHCS Administrative Costs policy](#) for additional guidance.

On behalf of my Participating Subdivision, I acknowledge that:

- Total administrative expenses (indirect costs) for a Participating Subdivision and its funded subrecipients shall be reasonable and should not exceed actual costs or ten (10) percent of the total allocation, whichever is less.
- Administrative expenses (indirect costs) must be related to an eligible opioid remediation activity (qualifying expenditure).
- Administrative expenses (indirect costs) are not considered to meet the intent of the HIAA outlined in the California State-Subdivision Agreements and the DHCS Behavioral Health Information Notice No.: 24-002 CA Abatement Accounts Fund.

Questions?



CA Subdivision Fund



Section 9. Plaintiff Subdivision

- » This section will ask if your city or county is also a Plaintiff Subdivision.

9. Plaintiff Subdivision

This section will cover information about Plaintiff Subdivisions.

Is your Participating Subdivision also a Plaintiff Subdivision?

A Plaintiff Subdivision is a Subdivision located in California, other than a Litigating Special District, that filed a lawsuit, on behalf of the Subdivision and/or through an official of the Subdivision on behalf of the People of the State of California, against one or more Opioid Defendants prior to October 1, 2020.

Yes

No

Section 10. CA Subdivision Fund - Payments

» This section will cover payments from the CA Subdivision Fund.

List all **settlement dollars received as payments** to your Plaintiff Subdivision from the CA Subdivision Fund during the SFY 23-24. Please only list the payments received July 1, 2023 – June 30, 2024.

CA Abatement Accounts Fund Payments Received in SFY 23-24

Distributors

Janssen

Section 11. CA Subdivision Fund - Interest

- » This section will cover interest earned on funds from the CA Subdivision Fund.

Please list any interest earned on **all** funds from the CA Subdivision Fund during the SFY 23-24 (July 1, 2023 – June 30, 2024). **Please do not include any interest previously reported in prior years.** If there was no interest earned, write in 0.

Interest Earned on all CA Subdivision Funds in SFY
23-24

Distributors

Janssen

Section 12. CA Subdivision Fund- Reallocations

» This section will ask if your Plaintiff Subdivision reallocated funds to another Plaintiff Subdivision.

For funds from the **CA Subdivision Fund**, enter the exact amount of funds that your Plaintiff Subdivision **reallocated to** other Plaintiff Subdivisions from the period of July 1, 2023 - June 30, 2024. Please list all reallocations below. Reallocations of different funds types must be reported individually.

	Plaintiff Subdivision that received the funds	Amount reallocated	Settlement Type
1	<input type="text"/>	<input type="text"/>	<input type="text" value="v"/>
2	<input type="text"/>	<input type="text"/>	<input type="text" value="v"/>
3	<input type="text"/>	<input type="text"/>	<input type="text" value="v"/>
4	<input type="text"/>	<input type="text"/>	<input type="text" value="v"/>
5	<input type="text"/>	<input type="text"/>	<input type="text" value="v"/>

Section 13. CA Subdivision Fund – Future Opioid-Related Expenses

» In this section, Plaintiff Subdivisions will report their current opioid-related expenditures from the CA Subdivision Fund.

3. List how much was expended on this activity or program during the SFY 23-24 from your **CA Subdivision Fund** allocation by each settlement. If no money was spent from certain settlements, please write in 0.

Funds Expended on Future Opioid Remediation Activities in SFY 23-24

Distributors

Janssen

Section 13. CA Subdivision Fund – Future Opioid-Related Expenses

- » Instead of categorizing by Exhibit E, Plaintiff Subdivisions will categorize expenditures by broad categories of opioid remediation.

4. 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.

Section 14. CA Subdivision Fund – Reimbursements for Past Opioid-Related Expenses

- » The California State-Subdivision Agreements state that funds from the CA Subdivision Fund may be used for past opioid-related expenses, which may include fees and expenses related to litigation.
- » These expenses are reported to DHCS **and/or** BrownGreer depending on use.
 - Legal expenses reimbursed must be reported to BrownGreer.
 - BrownGreer refers to these expenses as “non-opioid remediation uses.”
 - Reimbursements for past opioid remediation activities must be reported to DHCS.

Section 14. CA Subdivision Fund – Reimbursements for Past Opioid-Related Expenses (Cont.)

- » In this section, Plaintiff Subdivisions will report if any monies from the CA Subdivision Fund were dedicated to past opioid-related expenses, such as litigation fees or previous opioid response efforts.

During SFY 23-24, did your Plaintiff Subdivision use settlement funds to cover any of the below expense categories? Select all that apply.

Past legal expenses related to opioid litigation

Reimbursements for past opioid-related expenses spent prior to the receipt of settlement funds

None of the above

Questions?



Mallinckrodt Bankruptcy Funds



Section 15. Mallinckrodt Bankruptcy – Payments and Interest

- » This section will cover bankruptcy funds received from NOAT II and any interest earned.

15. Mallinckrodt Bankruptcy - Payments and Interest

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

2. Total amount of funds received from NOAT II from July 1, 2023 – June 30, 2024:

3a. Total interest earned on all funds received from NOAT II from July 1, 2023 – June 30, 2024:

Section 16. Mallinckrodt Bankruptcy - Reallocations

» In this section, please report if funds were reallocated to another Local Government.

Enter the exact amount of bankruptcy funds that your Local Government **reallocated to** other Local Governments from the period of July 1, 2023 - June 30, 2024. 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"/>

Section 17. Mallinckrodt Bankruptcy – Allowable Expense Reporting

- » In this section, Local Governments will report their expenditures, by Exhibit E category, timeframe, and direct or indirect costs.

[illegible]

Section 18. Mallinckrodt Bankruptcy - Administrative Expenses (Indirect Costs)

- » In this section cities and counties will report on the amount of bankruptcy funds spent on administrative expenses (indirect costs).

18. Mallinckrodt Bankruptcy - Administrative Expenses (Indirect Costs)

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

Per Section 2 of the NOAT II Trust Distribution Procedures, no more than five percent (5%) of the bankruptcy funds may be used to fund expenses incurred in administering the distribution for the Approved Opioid Abatement Uses.

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

Section 19. Attestation

- » This section asks to confirm that the preparer of the report is authorized to sign and submit on behalf of the city or county.

19. Attestations

I certify and attest on behalf of my Participating Subdivision and/or Local Government that everything reported on this California Opioid Funds Expenditure Reporting Form is true and correct:

 **SIGN HERE**

clear

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, send an email to OSF@dhcs.ca.gov.

Next Steps

- » The online reporting form will be sent to all participating city and county contacts on Monday, 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, 2024, and close on September 30, 2024.**

Topics for Technical Assistance Survey

- » DHCS will be sharing a survey to solicit your thoughts on what TA topics you'd like to see covered in future webinars and what resource materials have been most useful to you.
- » The survey will be shared on July 15, 2024.
- » Please complete the survey by July 31, 2024.

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.

Thank you!

