

INTRODUCED: November 8, 2021

A RESOLUTION No. 2021-R078

To approve of the City's participation in the proposed settlement of opioid-related claims against McKesson, Cardinal Health, AmerisourceBergen, Janssen Pharmaceuticals, and their related corporate entities, and to direct the City Attorney to execute the documents necessary to effectuate the City's participation in the settlements, including the required release of claims against the settling entities.

Patrons – President Newbille, Vice President Robertson,
Ms. Lynch and Ms. Lambert

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: DEC 13 2021 AT 6 P.M.

WHEREAS, the opioid epidemic that has cost thousands of human lives across the country also affects the City of Richmond by adversely impacting the delivery of emergency medical, law enforcement, criminal justice, mental health and substance abuse services, and other services by the City's various departments and agencies; and

WHEREAS, the City has been required and will continue to be required to allocate substantial taxpayer dollars, resources, staff energy, and time to address the damage the opioid epidemic has caused and continues to cause the citizens of the City; and

AYES: 9 NOES: 0 ABSTAIN: _____

WHEREAS, the City has filed suit against McKesson, Cardinal Health, AmerisourceBergen, and Janssen Pharmaceuticals, along with certain of their related corporate entities for their role in the distribution, manufacture, and sale of the pharmaceutical opioid products that have fueled the opioid epidemic that has harmed the City; and

WHEREAS, the City's suit seeks recovery of the public funds previously expended and to be expended in the future to abate the consequences and harms of the opioid epidemic; and

WHEREAS, settlement proposals have been negotiated that will cause McKesson, Cardinal Health, AmerisourceBergen, and Janssen Pharmaceuticals to pay up to \$26,000,000,000.00 nationwide to resolve opioid-related claims against them; and

WHEREAS, the City's outside counsel for opioid litigation has recommended that the City participate in the settlements in order to recover its share of the funds that the settlement would provide; and

WHEREAS, the City Attorney has reviewed the available information about the proposed settlements and concurs with the recommendation of outside counsel;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the City Council approves of the City's participation in the proposed settlement of opioid-related claims against McKesson, Cardinal Health, AmerisourceBergen, Janssen Pharmaceuticals, and their related corporate entities, and directs the City Attorney to execute the documents necessary to effectuate the City's participation in the settlements, including the required release of claims against the settling entities.

A TRUE COPY:
TESTE:
Amelia D. Reed
City Clerk



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Council Ordinance/Resolution Request

TO Haskell C. Brown, III, Interim City Attorney
THROUGH Joyce Davis, Interim Council Chief of Staff
FROM Steven Taylor, Council Policy Analyst
RCC Office of the Council Chief of Staff
COPY Cynthia Newbille, President of the Council
Ellen Robertson, Vice President of the Council
Samuel Patterson, Council Liaison
Tavares Floyd, Council Liaison
Tabrica Rentz, Acting Deputy City Attorney
DATE November 4, 2021
PAGE/s 1 of 1
TITLE Opioid Settlement Approval – “Big 3” / Janssen

This is a request for the drafting of an **Ordinance** **Resolution**

REQUESTING COUNCILMEMBER/PATRON

Cynthia Newbille and Ellen Robertson

SUGGESTED STANDING COMMITTEE

Finance and Economic Development

ORDINANCE/RESOLUTION SUMMARY

To approve of the City's participation in the proposed settlement of opioid-related claims against McKesson, Cardinal Health, AmerisourceBergen, Janssen Pharmaceuticals, and their related corporate entities, and to direct the City Attorney to execute the documents necessary to effectuate the City's participation in the settlements, including the required release of claims against the settling entities.

BACKGROUND

By Res. No. 2018-R094, adopted Nov. 13, 2018, the City Council established a policy to pursue legal action on behalf of the City against drug manufacturers and distributors of opioids. Pursuant to Ord. No. 2021-234, adopted Sept. 27, 2021, the City entered into a Virginia Opioid Abatement Fund and Settlement Allocation Memorandum of Understanding with the Attorney General of Virginia providing for the allocation and use of monies recovered through litigation concerning the opioid addiction epidemic. In order to receive as much as \$6.8 million (based on the calculations of the Office of the Attorney General of Virginia and assuming governmental participation in Virginia nears 100 percent) from settlements with opioid distributors McKesson, AmerisourceBergen, and Cardinal, and opioid manufacturer Janssen Pharmaceuticals, the City Council must adopt a resolution authorizing the City's participation in these settlements prior to January 2, 2022. Over 30 other Virginia localities have already adopted similar resolutions. The City Attorney, the Office of the Attorney General of Virginia, and the City's outside counsel recommend that the City participate in these settlements.

FISCAL IMPACT STATEMENT

Fiscal Impact	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Budget Amendment Required	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Estimated Cost or Revenue Impact	\$6.8 million	

Attachment/s Yes No