

INTRODUCED: February 13, 2023

A RESOLUTION No. 2023-R010

To approve of the City's participation in the proposed settlement of opioid-related claims against Teva, Allergan, Walmart, Walgreens, CVS, 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 Jones, Ms. Robertson, Ms. Newbille, Ms. Lambert and Ms. Lynch

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: FEB 27 2023 AT 6 P.M.

WHEREAS, the opioid epidemic that has cost thousands of human lives across the country also impacts 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: _____

ADOPTED: FEB 27 2023 REJECTED: _____ STRICKEN: _____

WHEREAS, the City has filed suit against Teva, Allergan, Walmart, Walgreens, CVS, and 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, similar to those entered into with McKesson, Cardinal Health, and AmerisourceBergen (the "Distributors") and Janssen Pharmaceuticals ("Janssen"), have been negotiated that will cause Teva, Allergan, Walmart, Walgreens, and CVS to pay billions of dollars nationwide to resolve opioid-related claims against them; and

WHEREAS, the City has approved and adopted the Virginia Opioid Abatement Fund and Settlement Allocation Memorandum of Understanding (the "Virginia MOU"), and affirms that these pending settlements with Teva, Allergan, Walmart, CVS, and Walgreens shall be considered "Settlements" that are subject to the Virginia MOU, and shall be administered and allocated in the same manner as the opioid settlements entered into previously with the Distributors and Janssen; and

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

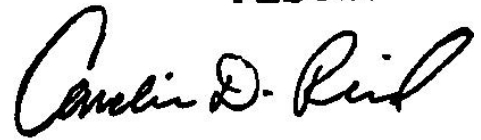
WHEREAS, the City Attorney has reviewed the available information about the proposed settlements and concurs with the recommendation of outside counsel;

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 Teva, Allergan, Walmart, Walgreens, CVS, 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:**

A handwritten signature in black ink, appearing to read "Camille D. Reil". The signature is written in a cursive, flowing style.

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, City Attorney

THROUGH Latesha Holmes, Council Chief of Staff

FROM Joyce L. Davis, Council Policy Analyst
Office of the Council Chief of Staff

COPY Michael Jones, President of the Council
Ellen Robertson, 6th District Council Member
Cynthia Newbille, 7th District Council Member
Tabrica Rentz, Deputy City Attorney

DATE February 8, 2023

PAGE/s 1 of 1

TITLE Opioid Settlement Approval – Certain Manufacturers and Pharmacies

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

REQUESTING COUNCILMEMBER/PATRON

Michael Jones, Ellen Robertson and
Cynthia Newbille

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 Teva, Allergan, Walmart, Walgreens, CVS, 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. Res. No. 2021-R078, adopted Dec. 13, 2021, approved of the City's participation in settlements with McKesson, Cardinal Health, AmerisourceBergen, and Janssen Pharmaceuticals. To date, the City has received \$1,040,164.96 directly as a result of these settlements. In order for the City to receive its share of settlements with opioid manufacturers Teva and Allergan and pharmacies Walmart, Walgreens, and CVS, the City Council must adopt a resolution authorizing the City's participation in these settlements. The City Attorney and the City's outside counsel recommend that the City participate in these new proposed settlements.

FISCAL IMPACT STATEMENT

Fiscal Impact Yes ☒ No ☐

Budget Amendment Required Yes ☐ No ☒

Estimated Cost or Revenue Impact Unknown; nationwide settlement valued at \$20 billion.

Attachment/s Yes ☐ No ☒