

February 27, 2024: *Opioid Settlement Funds: What are other states doing?*

Opioid Settlement Summary

In July 2021, 46 states, including Kansas, reached a settlement (“National Settlement”) of \$26 billion with opioid manufacturers, distributors, and retailers for actions contributing to the opioid epidemic. As part of the settlement agreements, the National Settlement outlines the terms for states receiving opioid settlement funds, including allocations and uses of settlement funds. Although states have some leeway in their approaches to allocating, planning and disbursement of the funds, key provisions in the National Settlement establish certain requirements:

- Payments will be made to states in multiple installments over an 18-year period using a formula that includes overall population, overdose deaths, quantity of opioids delivered, and the prevalence of substance use disorder. Kansas has reached multiple settlements with major pharmaceutical companies, distributors and related firms that will result in Kansas receiving more than \$340 million over the next 18 years to treat and fight opioid addiction.
- Allowable uses of funding: At least 70 percent of funding awarded to states must be spent on “opioid remediation efforts” defined in the settlement agreement as “care, treatment, and other programs and expenditures designed to (1) address the misuse and abuse of opioid products, (2) treat or mitigate opioid use or related disorders, or (3) mitigate other alleged effects of, including on those injured as a result of, the opioid epidemic.
- Each state is required to establish an Opioid Settlement Remediation Advisory Committee to provide input and recommendations for remediation spending from the state’s Abatement Accounts Fund. Fourteen states, including Kansas, have advisory committees that will directly disburse or award grants from their settlement funds. The Kansas Fights Addiction Act was enacted in 2021 by the Kansas Legislature and authorized the creation of the 11-member Kansas Fights Addiction Board (Board). Sunflower Foundation, a statewide health philanthropy based in Topeka, serves as the administrator for the KFA grant program.
- 2021 HB 2079 established in the State Treasury the Kansas Fights Addiction Fund (KFA Fund) and the Municipalities Fight Addiction Fund (MFA Fund), administered by the Attorney General.
 - The bill requires the Attorney General to remit to the State Treasurer all moneys received by the State pursuant to opioid litigation in which the Attorney General is involved.
 - The bill requires 75 percent of these moneys to be credited to the KFA Fund and 25 percent to the MFA Fund and specifies how expenditures are to be made from each fund.
 - The bill requires moneys in the KFA Fund to be expended for grants approved by the Kansas Fights Addiction Grant Review Board to qualified applicants for projects and activities that prevent, reduce, treat, or mitigate the effects of substance abuse and addiction.
 - The bill requires moneys in the MFA Fund to be expended subject to an agreement among the Attorney General, the Kansas Association of Counties, and the League of Kansas Municipalities for projects and activities that prevent, reduce, treat or mitigate the effects of substance abuse and addiction, or to reimburse a municipality for expenses related to previous substance abuse mitigation.
 - The bill requires the Attorney General to provide administrative support for the Board and to administer, monitor, and assure compliance with grant conditions, and allowed the Attorney General to enter into an agreement with the Sunflower Foundation to serve as the administrator for the KFA grant program.
 - The program provided two rounds of funding in 2023. The first round prioritized strategies related to treatment, recovery, reducing harm associated with substance abuse, and linking people to support services and care. The second round prioritized prevention, providers and health systems, and public safety and first responders.