



Governor Phil Murphy

Home Administration Administration Administration Key Initiatives News and Events Social Contact Us

Newark, N.J.

Governor Murphy Reiterates Call for Fee on Opioid Manufacturers

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Governor Murphy's Proposed Fiscal Year 2020 Budget Included a Fee on Opioid Manufacturers to Fund Opioid Recovery Programs

Legislature's Budget Gives Opioid Manufacturers a Pass by Putting Burden of Opioid Recovery Funding Solely on New Jersey Taxpayers

EWING – Governor Phil Murphy was joined today by the New Jersey Department of Health and New Jersey Department of Human Services to emphasize the importance of including a modest fee on opioid manufacturers and distributors to help offset state costs for crucial programs to fight the opioid epidemic and support recovery.

"Fighting New Jersey's opioid epidemic will take a comprehensive approach, from the Administration to our health care partners to opioid manufacturers and distributors," **said Governor Murphy**. "The Legislature's budget gives opioid manufacturers and distributors a pass, putting the entire burden of our \$100 million strategic investment on anti-opioid efforts solely on the shoulders of New Jersey taxpayers. This epidemic impacts us all and it is time for drug companies to pay their fair share."

The Legislature's budget includes Governor Murphy's proposal of \$100 million to support coordinated efforts focused on enhanced prevention, treatment, and recovery services, as well as community support to address social risk factors that impact long-term recovery. However, the Legislature's budget failed to include Governor Murphy's proposed fee on opioid manufacturers and distributors, along with numerous other revenue raisers, to help offset the costs for additional spending. The assessment on manufacturers and distributors would raise an estimated \$21.5 million in new revenue to fight the opioid crisis devastating New Jersey's families.

"Prescription opioids have fueled our current opioid crisis. To reverse the tide of this epidemic, we need to curb the opioid supply," **said Department of Health Commissioner Dr. Shereef Elnahal**. "We are also reducing demand at the point of care by training clinicians about alternatives to prescription opioids for pain control -- including medical marijuana. This is why we are proposing increased fees targeted at companies manufacturing and distributing opioids. We must hold these companies accountable."

"When it comes to fighting the opioid crisis that has impacted far too many New Jersey families, we've taken actions such as giving New Jerseyans more than 32,000 doses of the opioid reversal drug naloxone for free to help residents respond to and prevent overdoses, improving how we pay for opioid addiction treatment in Medicaid, and providing treatment and recovery supports to vulnerable populations like pregnant women," **said Human Services Commissioner Carole Johnson**. "But there is much more work to do. To do that work, every extra dollar counts. The Murphy Administration has worked tirelessly to combat this epidemic with a comprehensive response. The more resources we have to support individuals, families and communities, the better chance we have to turn the tide of this epidemic in New Jersey."

The proposal in Governor Murphy's budget directs the Department of Health to annually assess a fee on a manufacturer or wholesaler that sells, delivers, or distributes an opiate into or within the state. The proposed fee structure for each manufacturer and distributor is as follows:

- \$250,000 for a manufacturer or wholesaler that annually sells, delivers, or distributes 1,000,000 or less units of an opiate;
- \$1,000,000 for a manufacturer or wholesaler that annually sells, delivers, or distributes 1,000,000 to 2,000,000 units of an opiate; and
- \$5,000,000 for a manufacturer or wholesaler that annually sells, delivers, or distributes 2,000,000 or more units of an opiate.

New Jersey has spent significant state and federal resources to combat the impact of the opioid epidemic on residents and communities, as well as supporting individuals on the path to treatment and recovery. Governor Murphy's \$100 million strategic investment sits atop the state's robust medical and social services infrastructure for those in need, law enforcement and diversion efforts, and other targeted programs and services.

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Home

Administration

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Cabinet

Boards, Commissions &

Authorities

Internship Opportunities

Governor's Residence -

Drumthwacket

Key Initiatives

Economy & Jobs

Education

Environment

Health

Law & Justice

Transportation

News & Events

Press Releases

Public Addresses

Executive Orders

Statements on

Legislation

Administration Reports

Transition Reports

Press Kits

Social

Facebook

Twitter

Instagram

Snapchat

YouTube

Contact Us

Scheduling Requests

Contact Us

Statewide

NJ Home

Services A to Z

Departments/Agencies

FAQs

Contact Us

Privacy Notice

Legal Statement &

Disclaimers

Accessibility Statement



