Governor Phil Murphy

Governor Murphy and Acting Attorney General Platkin Announce New Jersey Set to Receive \$641 Million from Settlements with Opioid Distributors and Manufacturers

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Funding Will Support State and Local Responses to Combating the Opioid Epidemic

EGG HARBOR – Governor Phil Murphy and Acting Attorney General Matt Platkin today announced that New Jersey is set to receive \$641 million from settlements with Johnson & Johnson, which manufactured opioids, and the country's three largest pharmaceutical distributors – McKesson, Cardinal Health, and AmerisourceBergen. The \$641 million in settlement funds will be paid through 2038 and will fund state and local programs focused on treatment, prevention, and other strategies to combat the opioid epidemic in the state.

The commitment to using the funds to bolster New Jersey's response to the opioid epidemic is one part of a new agreement – between the State, its counties, and its municipalities – which addresses how the money will be allocated. Under that agreement, almost all of the \$641 million will be divided evenly—with 50 percent going to the State and 50 percent going to counties and municipalities—and spent on strategies to reduce the opioid epidemic's ongoing harms to residents and communities.

"This is a historic moment in our fight to combat the opioid crisis in New Jersey and save lives," **said Governor Murphy**. "With these historic funds, we will continue to make critical investments in harm reduction centers, treatment programs, and data-driven strategies to end the overdose crisis. With these funds, coupled with the nearly \$100 million investment in my proposed budget, we will continue our work to combat the opioid crisis in New Jersey."

"No amount of money could undo the harms that the opioid epidemic has caused to too many New Jerseyans," said Acting Attorney General Matthew J. Platkin. "But these historic settlements will bring hundreds of millions of dollars into our state to support lifesaving drug prevention, harm reduction, treatment, and recovery programs, and will require these drug companies to change their business practices so that this does not happen again. I am proud of the attorneys and investigators in the Department of Law and Public Safety who helped deliver these settlement funds to New Jersey."

Nationwide settlement agreements with the four companies – which require the companies to change their business practices and provide for up to \$26 billion in monetary payments to resolve claims by thousands of government entities – were announced in July 2021. Under the nationwide settlement agreements, the amount dedicated to each participating State depends on the level of participation among its county and municipal governments that have populations over 10,000 or that have filed lawsuits against the companies.

New Jersey announced

(https://urldefense.com/v3/_https:/t.e2ma.net/click/njbmpg/fd1rrbm/j4onev_;!!J30X0ZrnC1oQtbA!YucFzlozDvWZ3kYKBtRNO2zNtOVtl88UbUHgsE6iYt_eUOtA5B-GjyY6-WmLS2hvBZXUgrTHGQ\$) its participation in the opioid settlements in August 2021, and eligible counties and municipalities were given until January 26, 2022 to sign on. During that time, state, county, and local officials worked together to ensure that New Jersey would receive the maximum possible benefit from the settlements, with assistance from the New Jersey State League of Municipalities and New Jersey Association of Counties.

That effort – which included the agreement between the State and its counties and municipalities over distribution of the funds – was a success. New Jersey achieved 100 percent participation

(https://urldefense.com/v3/__https:/t.e2ma.net/click/njbmpg/fd1rrbm/zwpnev__;!!J30X0ZrnC1oQtbA!YucFzlozDvWZ3kYKBtRN02zNtOVtl88UbUHgsE6iYt_eU0tA5B-GjyY6-WmLS2hvBZWRrHJB4g\$) among its 21 counties and 241 relevant municipalities, entitling the State to the maximum recovery available under the nationwide settlement agreements.

The defendant companies announced their formal acceptance of the settlements last month.

"The opioid settlement will bolster our critical opioid use disorder resources and programs, which will strengthen our ability to save lives by preventing overdose deaths and connecting New Jerseyans to supports and treatment when they need it most," said Human Services Assistant Commissioner Valerie Mielke, who directs the Department's Division of Mental Health and Addiction Services. "We are being innovative when it comes to addressing this crisis, from finding ways to close the treatment gap experienced by Black residents through cultural competency training for opioid treatment providers to helping our mental health programs treat individuals with a co-occurring substance use disorder. Our shared goal, always, is to save lives."

"All the money in the world can't erase the devastating pain and loss caused by the opioid crisis and the reckless practices of some drug manufacturers, but we can use some of the ill-gotten pharmaceutical profits to save lives," **said Senator Vince Polistina.** "Today we move to ensure the state's share of the settlement will help New Jersey communities fight the ravages of addiction with indispensable treatment and recovery programs. Opioid abuse and overdoses surged during the pandemic, and only through immediate and effective remedial action can we prevent more tragic outcomes."

"Our communities continue to face firsthand the impacts of the opioids crisis. With 100% participation achieved, the settlement in place and funding for municipalities and counties secure, we thank the Murphy Administration for its leadership and partnership in moving forward to help stem the devastating effects of this crisis," said Mike Cerra, Executive Director of the New Jersey League of Municipalities.

"Thank you to Governor Murphy for his commitment to investing settlement fund monies to combat the opioid crisis and for his leadership in sharing the resources to provide treatment, rehabilitation, and other vital services for those in need with county governments across the State," said John G. Donnadio, Executive Director of the New Jersey Association of Counties.

"We've seen the damages of the opioid epidemic, and the disastrous impact it has had on our communities," said Passaic County Board of Commissioners

to top

Director Bruce James. "This settlement will allow for increased access to comprehensive harm reduction services and resources for our residents struggling with addiction. We're thankful to Governor Murphy for prioritizing this public health crisis." - "This settlement is a step in the right direction and brings some level of accountability to the companies that provided the spark that set the fire to one of the largest public health crisis's in the last 100 years that continues to grow by the day," said Commissioner Director and liaison to the Camden County Addiction Awareness Task Force, Louis Cappelli Jr. "These funds will allow us to start properly funding an infrastructure that will assist our community in addressing and intervening with residents that are suffering under the strain of opioid use disorder. We are looking at a numerous options to assist residents and families that are struggling from making medically assisted treatment more accessible to case managers in our municipal courts. Furthermore, we will be investing in new treatment opportunities, so we can improve and enhance our social service providers ability to reach out to those in throes of this insidious disease. Today is a bright spot for the counties that have suffered disparately from the flood of opioids into our region, nevertheless, it does nothing to bring back the thousands of poor souls that have been a victim of this crisis over the last 10 years."

"This funding presents a historic opportunity to invest in harm reduction services that are proven to save lives. I know firsthand as someone who used a syringe access program, and someone who works every day with people who are left behind by the War on Drugs and 'treatment-first' drug policy," **said Caitlin O'Neill**, **Co-Director and Director of Harm Reduction Services at New Jersey Harm Reduction Coalition**. "Earlier this year, lawmakers removed the single biggest barrier expanding harm reduction services across the state, and now we have the moral obligation to fully fund these programs. The Murphy Administration has done more to expand harm reduction than ever before, and we need to continue this momentum and invest in community care if we truly want to end the overdose crisis."

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