

AG Jennings applauds Senate passage of opioid settlement legislation

The State Senate unanimously passed legislation Wednesday that would formalize a responsible, independent, and collaborative process to allocate the significant funds the State has received, and will continue to receive, from opioid settlements.

Senate Bill 166, sponsored by Sen. Stephanie Hansen and House Speaker Pete Schwartzkopf, and supported by Attorney General Kathy Jennings, would establish a Prescription Opioid Settlement Fund and a Prescription Opioid Settlement Distribution Commission to receive opioid settlement money, and to ensure that settlement dollars are spent repairing the harm done by the opioid crisis.

“Delawareans across the state have paid the price for corporate profit-chasing and deception,” said **Attorney General Jennings**. “After years of struggle in our communities, anguish in our families, and fights in the courts, we are finally seeing the first signs of accountability for the pharmaceutical industry’s role in the crisis. The question before us is not whether Big Pharma will pay its debts to our communities, but how we will administer the significant settlements that Delaware has received and will continue to receive. This legislation answers that question by setting up the guardrails Delawareans need and deserve and ensuring that these funds go exactly where they are intended to go: into the fight against addiction.”

“Whether it’s through our first-in-nation opioid impact fee or landmark lawsuits against some of the nation’s largest drug makers, Delaware is holding pharmaceutical companies

accountable for flooding our streets with their highly addictive products and misleading the public about the dangers,” said **Sen. Stephanie Hansen**, the prime sponsor of SB 166. “As we redirect the record-breaking profits reaped by these corporations back into our communities to help individuals and families so terribly impacted by addiction, our goal is help fill the holes in Delaware’s existing recovery network and react quickly to future treatment needs. That is the intent of this legislation and I want to thank Attorney General Kathy Jennings for her dedication to winning the fight against substance abuse in the First State.”

“There sometimes is a temptation when the state receives funds to repurpose them for other uses. But the opioid epidemic has ravaged nearly every corner of our state, so the funds we receive should be allocated specifically to address the problems it has created,” said **Rep. Pete Schwartzkopf**. “By establishing an independent commission to disburse the funds, we will be ensuring that the money Delaware pulls in through the opioid impact fee or settlements are directly funneled to programs that will help residents in recovery and treatment.”

In February, Attorney General Jennings secured Delaware’s first major settlement of the opioid crisis, a \$573 million [multi-state settlement](#) with McKinsey & Company. The First State also sued several pharmaceutical manufacturers, distributors, and pharmacies including Purdue, Endo, and Walgreens, for their role in the opioid epidemic.

Under SB 166, money from settlements with these defendants and others would be placed in a fund that could only be used to remediate the past harm caused by opioids, reduce the present and future harm caused by opioids, and must be in keeping with the specific terms of individual settlements. Money in the Settlement Fund could not be diverted for other purposes, comingled with other funds, or used to supplant existing spending by State or local governments. An annual report is required to detail the monies received and the monies

dispersed from the Settlement Fund.

SB 166 also establishes the Prescription Opioid Settlement Distribution Commission within the [Behavioral Health Consortium](#) to manage the administration of the Settlement Fund, as well as money in the [Opioid Impact Fund](#) established by the 150th General Assembly. The Commission would be co-chaired by the Attorney General and the Governor, or their designees, and comprised of 13 additional members or their designees:

- The Secretary of the Department of Health and Social Services
- Two Senators, one from each caucus, appointed by the President Pro Tempore
- Two Representatives, one from each caucus, appointed by the Speaker of the House
- One member of the public appointed by Governor
- One member of the public appointed by the Attorney General
- Three members representing each county government in Delaware
- One representative of municipal government, appointed by the Governor and selected from a list of 3 names provided by the Delaware League of Local Governments
- One representative of a substance use disorder advocacy group, appointed by the Attorney General
- One representative of the addiction recovery system, appointed by the Governor

“Each Delawarean we lose to an overdose represents more than a number. It’s the hopes, the dreams, and the promise of a future all gone. Each one of these deaths rips families apart and fills them with a sense of loss and despair, and creates a lifelong void that will never be filled,” said **Lt. Governor Bethany Hall-Long**. “Delaware has been a leader in the fight against the opioid epidemic and substance use disorder. From

the creation of our Behavioral health Consortium as a model for the nation, to the overdose system of care and the opioid impact fee legislation, we have been able to approach this from an all hands on deck perspective. This legislation will enhance those efforts in a meaningful way that will put resources directly where it is needed. As Chair of the Behavioral health Consortium, I welcome this commission as they join our efforts to help get Delawareans the help that they need, and we continue the work toward a behavioral health system that works for everyone.”

“Unfortunately, there’s no vaccine for the opioid epidemic. But addiction prevention, treatment, and recovery programs can work and do save lives,” said **New Castle County Executive Matt Meyer**. “Under Attorney General Jennings leadership, SB 166 will bring together local and state governments, health experts and the addiction community to fund effective programs for those suffering from the disease of addiction and to provide support to those who need it most.”

“atTack addiction is grateful to the Department of Justice, the staff and the members of the General Assembly who have introduced legislation establishing the Prescription Opioid Settlement Distribution Commission,” said **Dave Humes of atTack addiction**. “This enabling legislation will combine funds from the existing Opioid Impact Fee law with funds that will come into the state from opioid lawsuits as they are settled. It has always been important to have a separate funding source to address the Public Health Crisis of the 21st Century, opioid addiction and overdose death. The legislation will provide streamlined and transparent management of these funds and will also remove the Sunset provision from the Delaware Code. The bottom line is that it will provide help and hope to people who have been ‘drug into addiction.’”

SB 166 now moves to the House of Representatives, where it will be assigned to a legislative committee for review.