

# **City of Scottsbluff, Nebraska**

**Monday, November 1, 2021**

**Regular Meeting**

## **Item Reports2**

**Council to receive notice and discuss and consider action on State of Nebraska opioid settlement proceeds and authorize City Manager to sign documentation relating to settlement proceeds.**

**Staff Contact: Dustin Rief, City Manager**



October 8, 2021

Dustin Rief  
City Manager  
2525 Circle Drive  
Scottsbluff, NE 69361-2495

**RE: Opioid Litigation Settlements**

Dear Dustin,

This letter is intended to provide you and the remainder of the city's leadership with additional information regarding two legal settlements recently entered into by the Attorney General against a manufacturer and several distributors of prescription opioid drugs. The first settlement concerns Johnson & Johnson. The second settlement concerns prescription drug distributors: McKesson, Cardinal Health, and AmerisourceBergen (collectively referred to as the "distributors"). Both settlement agreements contain similar terms and can be read in their entirety at the following website: <https://nationalopioidsettlement.com>.

Both settlement agreements involve distributions of money on an annual basis to both a state fund and allow direct distributions of money on an annual basis to certain political subdivisions (referred to as "participating subdivisions"). You are receiving this letter because your city's population exceeds ten thousand people and is therefore listed as a "participating subdivision" under both settlement agreements.

The monetary distributions under both settlement agreements are maximized for both the state's share and each participating subdivision's "direct share" when all participating subdivisions "sign on" to or execute each of the two settlement agreements. It is important to note that participating subdivisions must sign on to these settlement agreements in order to receive their direct share as well as to be eligible to receive any additional distribution or grant from the state's share. Participating subdivisions that do not sign on to these agreements will not only not receive their direct share but will also not be eligible to receive any additional distribution or grant from Nebraska's Opioid Recovery Fund.

Further details regarding your city's direct share, the state's Opioid Recovery Fund, and how you can sign on to these settlements are provided below. In order to ensure that Nebraska and each of

its participating subdivisions are able to realize their maximum payments under these settlements, we are asking you to provide your response before December 31, 2021.

### ***Why We Are Contacting You Now***

These nationwide settlements with Johnson & Johnson and the distributors were announced on July 24, 2021. State attorneys general had until August 21, 2021, to determine whether they would sign on to these settlements. On September 4, 2021, the distributors and Johnson & Johnson notified the attorneys general that a sufficient number of states had entered into these settlement agreements to move forward with the process of notifying all participating political subdivisions. Following this notification, a National Administrator responsible for verifying participating political subdivisions and distributing both state and subdivision shares was retained. The National Administrator has recently established a system for political subdivisions to receive their respective direct shares.

**This letter is your notice that your city is eligible to receive its direct share. Your city will receive its direct share and be eligible to receive additional funding from the state's Opioid Recovery Fund only if it signs on to these settlement agreements.** To sign the agreements, please follow the steps listed below:

1. Determine the person(s) that has/have legal authority to execute these participation agreements on behalf of your municipality. (Such person(s) will eventually need to provide their email address(es) to the National Administrator).
2. Log on to <https://nationalopioidsettlement.com>.
3. Click on the political subdivision registration link.
4. Enter your municipality's unique registration code [CAJINJ] and click "verify registration code".
5. The National Administrator will then provide your municipality with the necessary documents to participate in the settlements. All required documentation must be signed and submitted electronically through the [nationalopioidsettlement.com](https://nationalopioidsettlement.com) website using the "DocuSign" service.

### ***Your City's Direct Share***

Both the Johnson & Johnson and the distributors settlement agreements are the result of several years of negotiation that included both the state attorneys general and many private plaintiff attorneys representing cities and counties from around the country, the primary negotiating group of private attorneys is referred to as the plaintiff's executive committee or the "PEC". The PEC determined the allocation percentages of the political subdivision share for each participating subdivision in the United States. The political subdivision share is 15% of the total annual disbursement from the national administrator for each state. The state is also to receive 15%. The remaining 70% is allocated to a designated fund for the "abatement" of opioid addiction or opioid misuse and other co-occurring mental health or substance abuse issues. In Nebraska, the state's 15% share is automatically added to Nebraska's dedicated abatement fund, known as the "Opioid Recovery Fund", according to the Opioid Prevention and Treatment Act passed in 2020 and found at Neb. Rev. Stat. §§71-2485 to 71-2490.

The direct share percentage for each participating subdivision in Nebraska is found in “Exhibit G” of each settlement agreement which is accessible on the [nationalopioidsettlement.com](http://nationalopioidsettlement.com) website.

***Conclusion: What Your City Can Do Next***

The Attorney General’s Office is happy to answer any questions that your city has regarding these settlements.

Your city has several options for response to these settlement agreements:

1. “Sign on” to both of these agreements using the forms provided by the National Administrator and thereby make your city eligible to receive its direct share and potentially receive additional funds from Nebraska’s Opioid Recovery Fund;
2. “Sign on” to both agreements but elect to contribute your city’s direct share to Nebraska’s Opioid Recovery Fund for use within your Behavioral Health Region;
3. Elect to not “sign on” to these agreements and forego both your city’s direct share and forego distributions from Nebraska’s Opioid Recovery Fund.

Again, the more participating subdivisions that sign on to these agreements, the more money will come to both your city, other political subdivisions throughout the state, and the state of Nebraska as a whole.

We appreciate your consideration of this matter and again respectfully request your response through the sign-on process at <https://nationalopioidsettlement.com> or by contacting the undersigned before December 31, 2021.

Sincerely,  
DOUGLAS J. PETERSON  
ATTORNEY GENERAL OF NEBRASKA



Joshua R. Shasserre  
Assistant Attorney General & Chief of Staff  
(402) 471-2628  
[joshua.shasserre@nebraska.gov](mailto:joshua.shasserre@nebraska.gov)

cc: Lynn Rex, Executive Director  
League of Nebraska Municipalities