



COUNTY OF HUMBOLDT

For the meeting of: 9/12/2023

File #: 23-1212

To: Board of Supervisors

From: DHHS: Behavioral Health

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Certification of Annual Opioid Settlement Revenue and Expenditure Reports

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize the Department of Health and Human Services Director, or a designee thereof, to execute any and all certifications, attestations, agreements and other documents needed to comply with the annual reporting requirements applicable to the expenditure of opioid settlement funds for the period of 2020 through 2038; and
2. Direct the Clerk of the Board to provide the Department of Health and Human Services - Contract Unit with one (1) fully executed certified copy of the Board Order related to this item.

SOURCE OF FUNDING:

Behavioral Health - Opioid Crisis Fund (1170-424-003)

DISCUSSION:

Several lawsuits were brought against pharmaceutical and drug distribution companies by state, local and tribal governments, alleging that they fueled the opioid crisis by using misleading marketing, downplaying risks, overstating benefits and using irresponsible methods of distribution. The lawsuits aim to cover costs related to the opioid epidemic and remediation. Settlements with pharmaceutical distributors McKesson, AmerisourceBergen and Cardinal Health (“Distributors”) and Janssen, the parent company of Johnson & Johnson. Pursuant to the terms and conditions of these settlements, California will receive approximately Two Billion Dollars (\$2,000,000,000.00), of which the County of Humboldt is expected to receive approximately Million Dollars (\$20,000,000.00), over the period of 2020 through 2038.

The California Department of Health Care Services (“DHCS”) oversees the expenditure of opioid and requires all Participant Subdivisions, including the County of Humboldt, to report the details of any expenditures of opioid settlement funds on an annual basis. These annual reports outline settlement payments received by the County of Humboldt and provide detail on how said funds were spent on

allowable opioid remediation programs or activities. The reporting tool provided by DHCS allows only one (1) person to complete the form and sign an attestation certifying that expenditures of opioid settlement funds are in compliance with all requirements. As such, the County of Humboldt must develop a process by which these annual reports are prepared and certified via the DHCS portal.

Accordingly, it is recommended that the Board authorize the Department of Health and Human Services (“DHHS”) Director, or a designee thereof, to execute any and all certifications, attestations, agreements and other documents needed to comply with the annual reporting requirements applicable to the expenditure of opioid settlement funds for the period of 2020 through 2038.

FINANCIAL IMPACT:

There are no direct costs associated with authorizing the DHHS Director, or a designee thereof, to execute any and all certifications, attestations, agreements and other documents needed to comply with the annual reporting requirements applicable to the expenditure of opioid settlement funds for the period of 2020 through 2038. As a result, the recommended actions will not impact the Humboldt County General Fund.

STAFFING IMPACT:

Authorizing the DHHS Director, or a designee thereof, to execute any and all certifications, attestations, agreements and other documents needed to comply with the annual reporting requirements applicable to the expenditure of opioid settlement funds will not impact current staffing levels.

STRATEGIC FRAMEWORK:

The recommended actions support the following areas of the Board of Supervisors’ Strategic Framework.

Core Roles: Protect vulnerable populations

New Initiatives: Manage our resources to ensure sustainability of services

Strategic Plan: 1.4 - Reduce and/or eliminate substance abuse and opioid addiction in our community

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose not to authorize the DHHS Director, or a designee thereof, to execute any and all certifications, attestations, agreements and other documents needed to comply with the annual reporting requirements applicable to the expenditure of opioid settlement funds. However, this alternative is not recommended as DHHS staff have relevant financial training and subject matter expertise required for effective management of funding of this nature.

ATTACHMENTS:

1. OSF-Expenditure-Reporting-Tool
2. Allowable Expenses - Reporting Tool

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PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A