

**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**



Agenda Date:	May 1, 2023
Action Required:	Approval or Rejection of Resolution
Presenter:	Ashley Marshall, Deputy City Manager
Staff Contacts:	Ashley Marshall, Deputy City Manager
Title:	<b>Authorizing Participation in a Cooperative Partnership Application for State Opioid Abatement Authority Grant Funding (1 reading)</b>

**Background**

This seeks to affirm the City Council's approval for the City of Charlottesville to participate in an OAA Collaborative funding application as partner localities with Albemarle County, Nelson County, Greene County (tentatively), Fluvanna County (tentatively), and Louisa County (tentatively) along with Region 10 Community Service Board (CSB) to advance its substance use and co-occurring disorders services including Crisis Response, CITAC Expansion, and Community Engagement. It is the recommendation of the Interim City Manager, and the Office of the City Manager that the City of Charlottesville lend its support to this collaborative submission.

**Discussion**

**Background on the Virginia Opioid Abatement Fund and Virginia Opioid Abatement Authority**

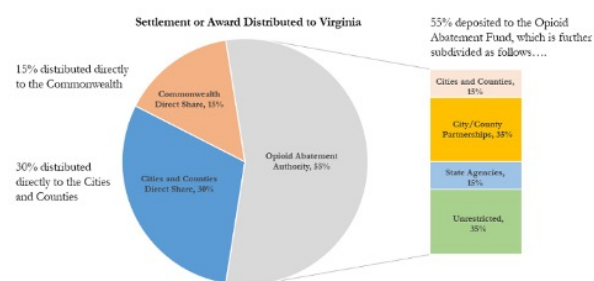
Due to the impact of the opioid epidemic, multiple legal suits were filed on behalf of various states and localities. The City of Charlottesville joined with the Commonwealth of Virginia in a multi-state class action lawsuit that accused OxyContin maker Purdue Pharma and other nationwide distributors of misleading doctors and catalyzing America's nationwide opioid epidemic.

A Memorandum of Understanding for the Virginia Opioid Abatement Fund and Settlement Allocation was drafted in August of 2021 that outlined the distribution process for the Commonwealth. All 122 counties and cities in the Commonwealth, including the City of Charlottesville, signed this MOU. The memorandum can be found in full at: <https://nationalopioidsettlement.com/wp-content/uploads/2021/10/VA-Opioid-Abatement-Fund-and-Settlement-Allocation-MOU1.pdf>

As these settlement agreements were being negotiated and finalized in 2020-2021, the Office of the Attorney General of Virginia worked with attorneys representing cities and counties and various statewide organizations to negotiate Virginia's memorandum of understanding (MOU), which establishes an allocation plan for opioid settlements within the Commonwealth. The MOU All 133 counties and cities in the Commonwealth signed this MOU. Nearly simultaneously the General Assembly overwhelmingly voted to pass bipartisan legislation that created the Opioid Abatement Authority as an independent entity of the Commonwealth. However, those entities may use funds they receive from the OAA to enter into agreements with service providers.

The Commonwealth also set up the Opioid Abatement Authority (OAA), which was established by the Virginia General Assembly in 2021 as an independent entity to abate and remediate the opioid epidemic in the Commonwealth through financial support from the Virginia Opioid Abatement fund in the form of grants, donations, or other assistance. The Fund was established to provide support for efforts to treat, prevent, and reduce opioid use disorders and the misuse of opioids in the Commonwealth. The distribution of opioid settlement funds in Virginia is governed by (1) the specific agreement(s) with the settling companies (and incorporated in a Virginia court order) and in accordance with (2) the statewide MOU and (3) the statute establishing the Opioid Abatement Fund and the Opioid Abatement Authority. In accordance with the statewide MOU and statutory limitations, the OAA distributes funds to Virginia's cities, counties, and state agencies as these are the parties involved in the litigation. As of January 19, 2023, three national-level opioid settlements have been approved by Virginia state courts that result in payments to Virginia. Those settlements include McKinsey (roughly \$13 million); McKesson, Cardinal Health and AmerisourceBergen (referred to as "distributors" by the OAA; roughly \$21 billion); and Jansen Pharmaceutical (roughly \$64.7 million). Additionally, settlements with Mallinckrodt is expected to provide a possible \$17 million to the Commonwealth in full, and settlements with Walmart will provide roughly \$60 million to the Commonwealth in full. The above referenced MOU includes a formula for distributing the proceeds of opioid settlements based on a measure of harm per capita to communities across Virginia. The City of Charlottesville will receive roughly 0.0463% of the funding submitted to the Commonwealth per memorandum, and it may use the funds it receives to enter into agreements with service providers focused on the abatement of Opioid Use Disorder (OUD) or prevention of OUD. Estimated Opioid Fund information can be found on the OAA's website at:

<https://www.oaa.virginia.gov/media/governorvirginiagov/oaa/pdf/Summary-of-Opioid-Funds-to-Virginia-Localities-as-of-Jan-2023.pdf> and a snapshot is pictured below with information on Charlottesville's distributions as of March 2023.



Fiscal Year	Direct Distribution from Settlement Administrator				25% Incentive
	Distributors	Janssen	Mallinckrodt	From OAA	
FY 2022	18,827	0	0	0	0
FY 2023	32,658	81,683	4,846	43,128	10,782
FY 2024	19,786	0	Still	7,255	1,814
FY 2025	24,766	0	being	9,081	2,270
FY 2026	24,766	0	determined	9,081	2,270
FY 2027	24,766	3,802		10,475	2,619
FY 2028	24,766	3,802		10,475	2,619
FY 2029	29,127	3,802		12,074	3,018
FY 2030	29,127	4,840		12,455	3,114
FY 2031	29,127	4,840		12,455	3,114
FY 2032	24,484	4,840		10,752	2,688
FY 2033	24,484	0		8,978	2,244
FY 2034	24,484	0		8,978	2,244
FY 2035	24,484	0		8,978	2,244
FY 2036	24,484	0		8,978	2,244
FY 2037	24,484	0		8,978	2,244
FY 2038	24,484	0		8,978	2,244
FY 2039	24,484	0		8,978	2,244
<b>Total</b>	<b>\$ 453,591</b>	<b>\$ 107,608</b>	<b>TBD</b>	<b>\$ 200,073</b>	<b>\$ 50,018</b>

Updated March 3, 2023

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### **Additional Funding from the OAA**

Outside of the individual distributions that localities will receive directly from the subjects of the settlement, as well as from the OAA for their use the Opioid Abatement Authority (OAA) has additionally established another stream of funding support via Cooperative Projects involving multiple cities and/or counties using the 35% of the Opioid abatement Funds' annual distribution. Cooperative projects must involve at least two (2) cities and/or counties from one (1) Community Service Board

(CSB) region. Awards are prioritized on various criteria that are available for review at: <https://www.oaa.virginia.gov/portal-grants/>

### **Region 10 Cooperative Application**

The City of Charlottesville has been invited by Region 10 CSB to participate in a cooperative project application to be submitted on or before May 5, 2023 that would partner with Albemarle County, Nelson County, Green County (tentative), Fluvanna County (tentative, and Louisa County (tentative) along with the City of Charlottesville to advance their work in substance use and co-occurring disorders services. In the City of Charlottesville, 69% of the adult client population served by Region 10 has a diagnosis of Substance Use Disorder. The application will contain three priorities focused on crisis response and community outreach.

First, funding would go to a 23-hour bed program that would work to provide the appropriate level of assessment and support to people who are experiencing a psychiatric emergency while diverting from involuntary inpatient hospitalization where appropriate. 23-hour beds are defined as a period of up to 23 hours during which assessment and stabilization services are provided at less than an acute level of care. This level of care offers an opportunity for re-assessment and the gathering of additional data which may support the appropriateness of admission or a non-inpatient setting.

Second, funding would go to provide support, assessment, and response to people who are experiencing a psychiatric emergency in a respectful, confidential setting. The Region 10 CITAC (Crisis Intervention Team Assessment Center) provides persons in crisis with an environment outside of the criminal justice system for proper intervention, assessment, and care. The program would accept transfers of Emergency Custody Orders (ECOs) based on CITAC capacity and appropriate referral parameters. The CITAC's goal is to decrease reliance on law enforcement, provide diversion from hospitalization and incarceration for people experiencing psychiatric emergencies. Further, it will work to increase connections to services and support.

Third, funding would work to provide community outreach and support through responding to people in the community at the right time, in the right setting, with behavioral health expertise to support, engage, and link to appropriate longer-term services. Region 10 staff would work to provide community-based response to a local incident, episodic support for disconnected individuals who are not functioning well in the community, and outreach to consumers who would benefit from a high-touch team to engage in services. This team would work as part of the day program at the Blue Ridge Center in the City.

Region 10 estimates a cost connected to personnel and totals \$1,363,961. The CSB believes it has the infrastructure in place to build out the proposed programming, so the funding from the OAA would not supplant existing frameworks but would expand upon them. This collaborative application does *not* require the expenditure of any of the localities' individual distributions or locality-specific OAA distributions. The localities may contribute funding now, or further into the project timeline.

### **Alignment with City Council's Vision and Strategic Plan**

#### **Community Engagement**

N/A. This proposed collaborative project was submitted by Region 10 in order for the City to consider participating. Community Engagement was not a requirement of the OAA process.

### **Budgetary Impact**

None at this time.

### **Recommendation**

The Interim City Manager recommends that Council approve this resolution to participate in the Region 10 Cooperative Application for OAA funding at this time.

### **Alternatives**

The Council may choose to reject the resolution and then the City would not be a participant in this Cooperative Application.

### **Attachments**

1. Resolution for Region 10 OAA Cooperative Partnership Application Submission Spring 2023 (AMD Edits)