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February 1, 2023

Senator Joseph Baldacci, Chair  
Representative Michele Meyer, Chair  
Joint Standing Committee on Health and Human Services  
100 State House Station  
Augusta, ME 04333-0100

RE: Opioid Litigation Settlements and the Maine Recovery Fund

Dear Senator Baldacci and Representative Meyer:

This letter is to report to you about the status of the Maine Recovery Fund to address statewide needs for abating the opioid crisis in Maine.

5 M.R.S. § 203-C (5) provides that the Attorney General shall report to the Committee about the activities of the Fund each year by February 1<sup>st</sup>. The report is to provide information about 1) the activities of the Maine Recovery Council; 2) the status of the Fund; 3) disbursements from the Fund; and 4) the outcomes of funded activities.

On December 9, 2022, I reported to the Committee about the status and activities of the Fund. Enclosed is a copy of that report.

The Recovery Council held its first meeting on November 22, 2022 and next met on December 20, 2022. During these meetings the Council reviewed its charges under the two Memoranda of Understanding and the statute as described in my December 9 report, learned about the settlements and the funds provided by them, and took steps to establish its procedures and to learn about the opioid crisis in Maine.

This year a subcommittee of the Council met on January 31st to review draft bylaws. The next full Council meeting will take place on Tuesday, February 14 at 1:00 p.m. in the first-floor conference rooms of the DHHS building at 109 Capitol Street. Additional information about the activity of the Recovery Council may be found at its website: [www.maine.gov/ag/recovery-council](http://www.maine.gov/ag/recovery-council).

To date, the Maine Recovery Fund has received payments from the Distributors and the J&J/Janssen settlements totaling \$14,389,348.68. No disbursements have been made from the Fund.

Additional information about opioid-related settlement and bankruptcy funds, and information for communities throughout Maine about how to use abatement funds, may be found at my office's website: [www.maine.gov/ag/opioids](http://www.maine.gov/ag/opioids).

Sincerely,



Aaron M. Frey  
Attorney General

Enclosure

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December 9, 2022

Committee on Appropriations and Financial Affairs  
c/o Office of Fiscal and Program Review  
5 State House Station  
Augusta, ME 04333

Committee on Health and Human Services  
c/o Office of Policy and Legal Analysis  
13 State House Station  
Augusta, ME 04333

Re: Opioid Litigation Settlements and the Maine Recovery Fund

Dear Committee Members,

This letter is to report to you about the status of the Maine Recovery Fund to address statewide needs for abating the opioid crisis in Maine.

On January 26, 2022, my office signed a Memorandum of Understanding (“MOU”) with certain counties, cities, and towns (“Litigating Subdivisions”) which had filed lawsuits against manufacturers and distributors of opioid pain medications. As a result of my office’s work with a multistate coalition of Attorneys General investigating opioid pain medication marketing and consumer protection law violations, filing suit against Purdue Pharma and its Sackler family directors, and the work of the Litigating Subdivisions, the parties were able to negotiate legal settlements which provide for funding to Maine for preventing overdose deaths, treating opioid use disorder, and preventing addiction to opioids. Other companies, such as Purdue Pharma, filed for bankruptcy protection and will make future payments to Maine for opioid abatement programs and services.

The MOU established allocations within Maine of payments from certain settlements and bankruptcy cases. 50% of the funds are allocated to the Maine Recovery Fund, to be administered by the Maine Recovery Council (“Recovery Council”). The Recovery Council consists of 15 members appointed by the Governor, the Senate President, the House Speaker, Litigating Subdivisions and my office. Pursuant to a second Memorandum of Understanding (“MOU 2”),

3% of the Recovery Fund is to be distributed statewide to Maine school administrative units, through a grant process administered by the Recovery Council, for opioid abatement-related special education programs and services. 30% of the funds coming into Maine are allocated to certain subdivisions in Maine, and 20% to the Attorney General. All funds are required by MOU and MOU 2 to be used for opioid abatement activities.

The MOU allocates funds to the Maine Recovery Fund from two settlements and two bankruptcy cases: 1) a settlement with three pharmaceutical distributors – AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson Corporation (the “Distributors” settlement); 2) a settlement with a pharmaceutical manufacturer, Johnson & Johnson, through its subsidiary, Janssen; 3) the bankruptcy case of a pharmaceutical manufacturer, Mallinckrodt plc; and 4) the bankruptcy case of Purdue Pharma, Inc., which may include payments from its owners, the Sackler family.

Section IV.E of the MOU requires that the Attorney General report, at least annually, on or before the second Friday in December “to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over health and human services matters.” The Attorney General’s report must “summarize the activity in any funds or accounts” related to the Maine Recovery Fund.

To date, the Maine Recovery Fund has received payments from the Distributors settlement totaling \$5,366,052.83.

No disbursements have yet been made from the Recovery Fund. The Recovery Council held its first organizational meeting on November 22, 2022 and will hold its next meeting on December 20, 2022.

Pursuant to 5 M.R.S. § 203-C (5), the next report to the Legislature about the Recovery Fund and the activities of the Maine Recovery Council is due to the Committee on Health and Human Services by February 1<sup>st</sup>.

Additional information about the activity of the Recovery Council may be found at its website: [www.maine.gov/ag/recovery-council](http://www.maine.gov/ag/recovery-council).

Additional information about opioid-related settlement and bankruptcy funds, and information for communities throughout Maine about how to use abatement funds, may be found at my office’s website: [www.maine.gov/ag/opioids](http://www.maine.gov/ag/opioids).

Sincerely,



Aaron M. Frey  
Attorney General