

AARON M. FREY
ATTORNEY GENERAL



STATE OF MAINE
OFFICE OF THE ATTORNEY GENERAL
6 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0006

TEL: (207) 626-8800
TTY USERS CALL MAINE RELAY 711

REGIONAL OFFICES
84 HARLOW ST. 2ND FLOOR
BANGOR, MAINE 04401
TEL: (207) 941-3070
FAX: (207) 941-3075

125 PRESUMPSCOT ST., SUITE 26
PORTLAND, MAINE 04103
TEL: (207) 822-0260
FAX: (207) 822-0259

14 ACCESS HIGHWAY, STE. 1
CARIBOU, MAINE 04736
TEL: (207) 496-3792
FAX: (207) 496-3291

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 1st.

Additional information about the activity of the Recovery Council may be found at its website: 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.

Sincerely,



Aaron M. Frey
Attorney General