



# Maximizing the Impact and Sustainability of Opioid Litigation Settlements and Awards in Local Communities

*How communities can successfully invest one-time resources in sustainable, evidence-based early intervention, treatment, and recovery services*

The various state and local opioid lawsuits currently underway represent a unique opportunity for communities to fund the infrastructure that enables the implementation of sustainable and comprehensive programs that can provide services attuned to the chronic nature of opioid addiction and related conditions. We believe the opportunity before us is of profound importance and that thoughtful and careful allocation of opioid settlement funds can close key infrastructure gaps; gaps that the epidemic has both exposed and exacerbated. [The Alliance for Addiction Payment Reform](#) has produced a cross-sector consensus framework that seeks to explore these infrastructures and service-related areas that maximize access to a comprehensive continuum of care for patients struggling with opioid use disorder in every community.

***The specific damages of the past 20 years from the opioid epidemic are becoming better understood through the litigation process.***

With the public release of key data from the Drug Enforcement Agency's Automation of Reports and Consolidated Order Systems (DEA-ARCOS) relating to U.S. opioid sales, it is clear exactly where over 100 billion oxycodone and hydrocodone pills were shipped between 2006 and 2014, the peak years of the opioid epidemic. The epidemic's impact – to municipalities, hospitals, businesses, families, individuals, and so on – has been staggering. More than 400,000 individuals died from drug overdoses directly attributable to prescription opioids between 1999 and 2018 (CDC). In 2018 alone, an estimated 10.3 million Americans misused opioids (CDC), elevating their risk of developing an opioid use disorder. Economically, the opioid epidemic cost the U.S. \$696 billion, or 3.4 percent GDP, in 2018 and more than \$2.5 trillion from 2015 to 2018 ([White House Economic Council](#)).

***What has been persistently less clear are the highest-value structural components local communities must develop in order to create enhanced long-term access to a continuum of care and support that improves outcomes for individuals with, or at risk, of developing a substance use disorder.***

In recent years, more than 2,000 legal claims have been filed against opioid manufacturers and distributors. Many of them originated with local towns, cities, and counties

seeking remuneration for past damages and financial support for community-based resolutions to opioid problems. While the historic damages and financial strains placed on local communities have been precisely detailed by plaintiffs, their attorneys, and the media, the vision for abatement has received limited public discourse and has only been advanced in generally ambiguous terms, such as “physician prescriber education” and “treatment.”

The most serious consequence of this lack of detailed planning is ineffective trial outcomes. Most recently, [Judge Thad Balkman issued his final ruling in State of Oklahoma vs. 13 defendants](#), the first courtroom proceeding involving an opioid manufacturer, finding the defendants at fault and ordering them to fund abatement costs. However, instead of awarding funds for 20 years, as requested by the state, Judge Balkman only mandated a single year of abatement payments, accounting that “The State did not present sufficient evidence of the amount of time and costs necessary, beyond one year, to abate the Opioid Crisis.” Oklahoma is not alone in facing this challenge of producing data-driven evidence combined with a comprehensive long-term plan. The lack of clear and comprehensive guidelines for effective treatment of addiction is a consistent problem shared not only by states, but also by other stakeholders involved in opioid lawsuits.

Tragically, responding to the complex and chronic nature of addiction at the local community level has lacked clear longitudinal blueprints for developing efficient, effective, and sustainable integrated treatment and recovery networks capable of producing long-term outcomes for individuals struggling with opioid use disorder or related conditions.

A significant part of this ambiguity has to do with how the infrastructure and design of addiction treatment services have historically been developed and structured. In essence most communities still respond to addiction as an acute condition with short-term interventions in a manner that deeply conflicts with the science of recovery. While nearly all local health systems have dedicated strategies and departments in place for population health and the management of other prevalent chronic illnesses like heart disease or diabetes, very few have similar resources and processes in place for substance use disorders.

This is not an artifact resulting from a lack of evidence, but the residual effect of existing behavioral health and addiction services that have been developed in isolation; underfunded, and disconnected from where most individuals present, namely emergency rooms, urgent care, primary care offices, pharmacies, and criminal justice systems.

***Payers, health systems, and patients have faced a vacuum as to what a “network of excellence” might look like for an integrated, comprehensive medical and community response for addiction.***

In late 2016, an entire chapter in the United States Surgeon General’s seminal report, [Facing Addiction in America: The Surgeon General’s Report on Alcohol, Drugs and Health](#), was dedicated to issuing a call to action for mainstream health systems to integrate comprehensive and chronic management of substance use services into their delivery networks.

In August 2017, over 40 clinical, addiction, information technology, primary care, social, regulatory, and policy experts responding by collaboratively developing an innovative alternative payment model that corresponds with well-established and accepted integrated treatment and recovery network care models. In September 2018, The Alliance for Addiction Payment Reform published the [Addiction Recovery Medical Home - Alternative Payment Model \(ARMH-APM\)](#). Less than a year later, the alliance published an updated paper coinciding with the announcement of pilot explorations of the ARMH-APM in local communities.

The ARMH-APM assimilates evidenced-based treatment and evidence-informed recovery services with a longitudinal payment system that requires integrated services and aligns the incentives for treating and managing addiction as a chronic disease. The model has the flexibility to meet providers and patients where they are, while honoring chronic disease management principles that will improve the coordination and application of care and recovery (see Appendix A for a visual example of the patient experience).

***Without deliberate and strategic investments in early intervention services, assertive engagement practices, and sustainable recovery-oriented health delivery networks, the current funding opportunity for the development of supportive infrastructure and services to overcome the opioid epidemic in local communities may fail to realize its full potential.***

It is imperative for presiding judges and attorneys to craft plans that go further than simply requiring significant public health-related allocations. Developing sustainable integrated treatment and recovery networks have the potential to succeed, long after the settlement funds have been depleted, by leveraging and building infrastructure and processes to grow the workforce with existing and emerging third-party health system funding streams in mind. The services and their corresponding linkages described in this emerging model provides a strong framework and considerations for such funding opportunities that could conceivably be financially self-sustaining in outlying years.

We can no longer afford to simply continue investing in fragmented and disjointed services for addiction treatment. This moment presents an historic opportunity to radically rethink addiction care by incentivizing recovery and integrating this care with the rest of the physical healthcare delivery system.

With access to a comprehensive continuum of care for individuals, today’s nearly 90 percent treatment gap can begin to finally close, and our communities can establish a permanent chronic disease response to addiction that will move towards the most devastating elements of the opioid epidemic in perpetuity.

Working with our members and data partners, the Alliance will be publishing a series of analytic briefs highlighting these key areas of funding opportunity and providing evidence for the correlation of recovery assets to recovery capital in communities across the country. Our aspiration is to provide a useful lens to policy makers and other decision makers about the highest and best use of funding allocation, community by community, as a means of preventing the next substance crisis from ever occurring.

CONVENERS, MEMBERS, CONTRIBUTORS, AND ADVISORS  
OF THE ALLIANCE FOR ADDICTION PAYMENT REFORM  
SIGNING IN SUPPORT OF THIS BRIEF:

<i>American Hospital Association</i>	<i>FAVOR Greenville</i>
<i>Healthcare Financial Management Association</i>	<i>Intermountain Healthcare</i>
<i>Patient-Centered Primary Care Collaborative</i>	<i>Nuvance Health</i>
<i>The National Council on Behavioral Health</i>	<i>Superior HealthPlan</i>
<i>Center on Addiction</i>	<i>Remedy</i>
<i>The Kennedy Forum</i>	<i>RC21x</i>
<i>Third Horizon Strategies</i>	<i>Ascension Recovery Services</i>
<i>Anthem</i>	<i>Signify Health</i>
<i>Capitol Decisions</i>	<i>WEconnect Health Management</i>
<i>CareSource</i>	<i>The Duke-Margolis Center for Health Policy</i>
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<i>Face It Together</i>	

For more information about the work of the Alliance for Addiction Payment Reform, please visit <https://www.incentivizerecovery.org> or contact Greg Williams, Alliance Manager: [greg@thirdhorizonstrategies.com](mailto:greg@thirdhorizonstrategies.com) – 312.374.8934

# APPENDIX A: PATIENT ON-RAMPS AND CARE TRANSITIONS



