ASSEMBLY, No. 3941

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED APRIL 13, 2020

Sponsored by:
Assemblyman DANIEL R. BENSON
District 14 (Mercer and Middlesex)
Assemblywoman VALERIE VAINIERI HUTTLE
District 37 (Bergen)

SYNOPSIS

Provides for funds received from opioid litigation or settlements to be dedicated for use in financing substance use disorder prevention and treatment programs and services in New Jersey.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 5/5/2021)

AN ACT concerning the dedication and distribution of funds received from opioid settlements and supplementing Title 26 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. The Legislature finds and declares that:

a. It is becoming clear that the State of New Jersey will receive a significant amount of settlement dollars from litigation that has been undertaken against opioid manufacturers and distributors for their contributions to the State and nation's opioid epidemic.

b. These opioid-related settlements are historic and will potentially result in the distribution of hundreds of millions of dollars to the State and to local governments.

c. In the 1990s, four of the largest tobacco companies entered into a similar settlement agreement with 46 states that had filed more than 800 claims against them. In many of those states, however, moneys received from the settlement were not used to reduce or eliminate tobacco usage, but were instead used for law enforcement purposes, deficit reduction, or for bolstering the states' general funds. Tobacco usage, meanwhile, continues to cause problems both for individuals and for society as a whole.

d. Despite the success of recent lawsuits against opioid manufacturers and distributors, the opioid epidemic continues to ravage the State and nation's communities, and the societal harms caused thereby continue to be great.

e. According to the State Department of Health, eight persons lose their lives in New Jersey each day as the result of an opioid overdose.

f. The opioid epidemic also strains families, fills jails, burdens social services, and has a high cost to taxpayers. A 2019 report by the Trump Administration found that the opioid epidemic cost nearly $700 billion in 2018 alone.

g. Although the Department of Human Services provides numerous programs and services to prevent opioid overdoses and aid in the treatment of opioid dependency and addiction in the State, and although numerous non-profit community-based services are also available throughout the State to assist and provide treatment and recovery services to persons with opioid use disorders, sufficient funding is needed to support and expand these programs and ensure that appropriate substance use disorder treatment services are available throughout the State to all who need them.

h. The COVID-19 pandemic, declared by the World Health Organization in March 2020, has resulted in the significant lock-down of society and the imposition of new social distancing rules throughout the State and nation. This has made it much harder to reach and provide effective treatment and recovery services to

persons who have opioid and other substance use disorders, and it has additionally reduced the social support network that is available to individuals who are currently in treatment for, or are recovering from, opioid dependence or addiction. It is not clear when the COVID-19 pandemic will subside, and it is possible that the disease will be present in society on a long-term basis. As a result, there is an urgent need, now more than ever, to sustain and increase funding for the State agencies and community providers that are continuing to provide substance use disorder treatment services in these uncertain and changing times.

i. In order to ensure that the State is better able to proactively and effectively prevent and reduce opioid addiction, reduce overdose deaths, restore communities, and otherwise address and mitigate the problems arising in New Jersey as a result of the opioid epidemic, it is both reasonable and necessary for the State to: (1) establish a special fund to receive all moneys obtained thereby through the settlement or litigation of lawsuits filed against opioid manufacturers or distributors; and (2) dedicate the moneys deposited in the fund for use in facilitating and expanding the State's substance use disorder prevention and treatment efforts.

2. a. There is created in the Department of the Treasury a dedicated, non-lapsing fund to be known as the "Opioid Settlement Treatment Support Fund."

b. The State Treasurer shall deposit into the fund any moneys that are allocated to or otherwise received by the State as a result of a settlement agreement entered into, or litigation undertaken against, opioid manufacturers and distributors. Any interest and other income earned on moneys in the fund, and any other moneys that may be appropriated or otherwise become available for purposes of the fund, shall be credited to and deposited in the fund.

c. (1) Moneys in the fund shall be dedicated and used only for the purposes of financing, expanding, enhancing, and modernizing substance use disorder prevention and treatment programs and services in the State, particularly those programs and services that focus on: (a) the prevention or treatment of opioid use disorders; or (b) the prevention or treatment of opioid and other substance use disorders occurring among members of particularly vulnerable populations or groups of individuals, including, but not limited to, inmates, parolees, and probationers; persons who have both a substance use disorder and a co-occurring mental illness; and persons who are socially or physically isolated, whether as a result of the COVID-19 pandemic or for any other reason.

(2) The Legislature shall annually appropriate moneys in the fund to the Department of Human Services, which shall allocate the appropriated funds to the Division of Mental Health and Addiction Services and the Office of Licensing in the department, and to community-based service providers through the issuance of grants,

as may be deemed by the Commissioner of Human Services to be necessary and appropriate to effectuate the purposes specified in paragraph (1) of this subsection.

3. This act shall take effect immediately.

STATEMENT

This bill would establish, in the Department of the Treasury, a dedicated, non-lapsing fund to be known as the "Opioid Settlement Treatment Support Fund."

The State Treasurer will be required to deposit into the fund any moneys that are allocated to or otherwise received by the State as a result of a settlement agreement entered into, or litigation undertaken against, opioid manufacturers and distributors. Any interest and other income earned on moneys in the fund, and any other moneys that may be appropriated or otherwise become available for purposes of the fund, are to be credited to and deposited in the fund.

Moneys in the fund are to be dedicated and used only for the purposes of financing, expanding, enhancing, and modernizing substance use disorder prevention and treatment programs and services in the State, particularly those programs and services that focus on: 1) the prevention or treatment of opioid use disorders; or 2) the prevention or treatment of opioid and other substance use disorders occurring in members of particularly vulnerable populations or groups of individuals, including, but not limited to, inmates, parolees, and probationers; persons who have both a substance use disorder and a co-occurring mental illness; and persons who are socially or physically isolated, whether as a result of the COVID-19 pandemic or for any other reason.

The bill provides for the Legislature to annually appropriate moneys in the fund to the Department of Human Services, which will be required to allocate the appropriated funds to the Division of Mental Health and Addiction Services and the Office of Licensing in the department, and to community-based service providers through the issuance of grants, as may be deemed by the Commissioner of Human Services to be necessary and appropriate to effectuate the purposes specified by the bill.

It is becoming clear that the State of New Jersey will receive a significant amount of settlement dollars from litigation that has been undertaken against opioid manufacturers and distributors for their contributions to the State and nation's opioid epidemic, and it is important that these settlement dollars be dedicated to reducing or mitigating the effects of opioid addiction in the State.

In the 1990s, four of the largest tobacco companies entered into a settlement agreement with 46 states that had filed more than 800 claims against them. In many of those states, however, moneys

received from the settlement were not used to reduce or eliminate tobacco usage, but were instead used for law enforcement purposes, deficit reduction, or for bolstering the states' general funds. Tobacco usage, meanwhile, continues to cause problems both for individuals and for society as a whole.

Despite the success of recent lawsuits against opioid manufacturers and distributors, the opioid epidemic continues to ravage the State and nation's communities, and the societal harms caused thereby continue to be great. Although the Department of Human Services provides numerous programs and services to prevent opioid overdoses and aid in the treatment of opioid dependency and addiction in the State, and although numerous non-profit community-based services are also available throughout the State to assist and provide treatment and recovery services to persons with opioid use disorders; sufficient funding is needed to support and expand these programs and ensure that appropriate substance use disorder treatment services are available throughout the State to all who need them.

The COVID-19 pandemic, moreover, which was declared by the World Health Organization in March 2020, has resulted in the significant lock-down of society and the imposition of new social distancing rules throughout the State and nation. This has made it much harder to reach and provide effective treatment and recovery services to persons who have opioid and other substance use disorders, and it has additionally reduced the social support network that is available to individuals who are currently in treatment for, or are recovering from, opioid dependence or addiction. Because it is not clear when the COVID-19 pandemic will subside, and it is possible that the disease will be present in society on a long-term basis, there is an urgent need, now more than ever, to sustain and increase funding for the State agencies and community providers that are continuing to provide substance use disorder treatment services in these uncertain and changing times.