[Second Reprint]

SENATE, No. 783

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED JANUARY 18, 2022

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator JAMES BEACH

District 6 (Burlington and Camden)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Senators Singer, Johnson, Ruiz, Greenstein, Burgess, Codey, Durr, O'Scanlon, Assemblywomen Murphy, Timberlake, Dunn, Jasey, Swain, Reynolds-Jackson, Assemblyman Tully, Assemblywomen Swift, Eulner, Piperno, Assemblyman Sampson and Assemblywoman Lopez

SYNOPSIS

Establishes Opioid Recovery and Remediation Fund; establishes requirements for proceeds from opioid settlements to support substance use disorder prevention and treatment programs.

CURRENT VERSION OF TEXT

As reported by the Assembly Human Services Committee on February 9, 2023, with amendments.

(Sponsorship Updated As Of: 2/27/2023)

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

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

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- 1. a. There is created in the Department of the Treasury a dedicated, non-lapsing fund to be known as the "Opioid Recovery and Remediation Fund."
- ¹[The] To the extent consistent with the terms of a national 11 opioid litigation resolution subject to this act, the 1 State Treasurer 12 shall deposit into the fund ¹[any] the State's share of ¹ moneys 13 ¹[that are allocated to or otherwise received by the State] received ¹ 14 as a result of ¹[a settlement agreement entered into with, or 15 16 litigation undertaken against, opioid manufacturers and distributors 17 related to claims arising from the manufacture, marketing, distribution or dispensing of opioids] such resolution¹. Any 18 19 interest and other income earned on moneys in the fund, and any other moneys that may be appropriated or otherwise become 20 21 available for purposes of the fund, shall be credited to and deposited 22 in the fund. ¹For the purposes of this section, moneys paid to counties or municipalities ²[or allocated for attorneys' fees, costs, 23 24 and related litigation expenses]² shall not be considered to be part of the State's share of moneys received as a result of a national 25 opioid litigation resolution. ¹ Any moneys received by any State 26 department pursuant to a national opioid litigation settlement 27 subject to this act shall be transferred into the fund.² 28
 - c. (1) Moneys in the fund ²are hereby appropriated, shall be subject to the applicable requirements of the relevant national opioid litigation resolution and any applicable agreement entered into pursuant to section 3 of P.L., c. (C.) (pending before the Legislature as this bill), and ² shall be dedicated and used only for ²:
 - (a)² the purposes ¹ [of supplementing substance use disorder prevention and treatment programs and services in the State, consistent with the terms of settlements made in connection with claims arising from the manufacture, marketing, distribution or dispensing of opioids, as applicable.
 - (2) The Legislature shall annually appropriate described in subsection e. of this section ²[, and shall be subject to the applicable requirements of the relevant national opioid litigation

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SHH committee amendments adopted February 3, 2022.

²Assembly AHU committee amendments adopted February 9, 2023.

- resolution and any applicable agreement entered into pursuant to section 3 of P.L., c. (C.) (pending before the Legislature as this bill); and
- 4 (b) the payment of attorneys' fees, costs, and related litigation expenses related to the national opioid litigation resolution².
- 6 (2) The Department of Human Services shall be designated the 7 lead agency for the State for purposes of directing the disbursement 8 and allocation of the State's share of any moneys that are allocated 9 to or otherwise received by the State as a result of a national opioid 10 litigation resolution and for monitoring the use of moneys disbursed 11 to counties or municipalities under a national opioid litigation 12 resolution or under an agreement entered into pursuant to section 3 13 of P.L., c. (C.) (pending before the Legislature as this bill) ², to the extent required by such agreements, ² and, in coordination 14 with the State Comptroller and the Attorney General, ensuring that 15 the use of such moneys complies with the purposes set forth in this 16 17 act and is consistent with the terms of the applicable national opioid 18 litigation resolution and any applicable agreement entered into pursuant to section 3 of P.L. , c. (C.) (pending before the 19

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Legislature as this bill).

- (a) The department shall have primary responsibility for ensuring that the various reporting, compliance, and administrative functions imposed upon the State pursuant to the terms and conditions of any national opioid litigation resolution and any applicable agreement entered into pursuant to section 3 of P.L., c. (C.) (pending before the Legislature as this bill) are performed, and shall serve as the single point of contact for the State for settlement fund administrators and trustees to submit requests for disbursement of ²settlement² funds.
- (b) The department shall be authorized to make determinations 30 31 regarding disbursement and allocation of the State's share of such 32 proceeds in accordance with the requirements or terms of any 33 national opioid litigation resolution and any applicable agreement 34 entered into pursuant to section 3 of P.L., c. (C.) (pending 35 before the Legislature as this bill), which may include designations of regions for the allocation of the State's share of such proceeds, in 36 addition to taking such other actions as may be assigned or required 37 38 to be performed by the lead agency or single point of contact for the 39 State under the terms of any national opioid litigation resolution and 40 any applicable agreement entered into pursuant to section 3 of 41 P.L., c. (C.) (pending before the Legislature as this bill).
- (c) The department shall receive and review reports from each county ²[and municipality] regarding the expenditure of any moneys received by the county ²[or municipality] as a result of a national opioid litigation resolution.
- (d) (i) The department shall be authorized to adopt, amend, or
 repeal regulations as necessary to carry out the intent and provisions

- 1 of P.L., c. (C.) (pending before the Legislature as this bill).
- 3 (ii) Notwithstanding the provisions of the "Administrative
- 4 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the
- 5 contrary, the department may, immediately upon filing proper
- 6 <u>notice with the</u> ²[office] Office² of Administrative Law, adopt
- 7 rules and regulations as shall be necessary to enable it to carry out
- 8 the department's duties, functions, and powers with respect to this
- 9 act. Rules and regulations adopted pursuant to this
- subsubparagraph shall be effective immediately upon filing with the
 Office of Administrative Law and shall be in effect for a period not
- to exceed 18 months, and shall, thereafter, be amended, adopted, or
- readopted by the department in accordance with the provisions of
- the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
- 15 <u>1 et seq.).</u>

- 16 (3) Notwithstanding any other law ²or regulation² to the
- contrary, there is hereby appropriated: (a) moneys from the fund
- 18 to the Department of Human Services, which shall allocate the
- 19 appropriated funds in ¹accordance with the provisions of
- subsections d., e., and f. of this section; and (b) to the extent applicable, moneys paid to the State as a result of a national opioid
- 22 litigation resolution that have been allocated to a county or
- 23 municipality in accordance with the terms of the national opioid
- 24 litigation resolution or a related agreement entered into pursuant to
- 25 section 3 of P.L., c. (C.) (pending before the Legislature as
- 26 this bill), and to the extent necessary to effectuate such resolution,
- 27 which shall be used in accordance with the provisions of
- 28 <u>subsections d., e., and f. of this section.</u>
- 29 **2**(4) Moneys from the fund may be transferred to other State
- 30 <u>departments as directed by the Commissioner of Human Services in</u>
- 31 <u>support of the purposes provided for in this act, subject to the</u>
- 32 <u>approval of the Director of Budget and Accounting.</u>²
- 33 <u>d. Notwithstanding section 2 of P.L.1999, c.129 (C.56:8-14.3),</u>
- 35 False Claims Act," P.L.2007, c.265 (C.2A:32C-1 et seq.), the

section 15 of P.L.2003, c.76 (C.56:8-133), and the "New Jersey

- 36 <u>department shall direct the allocation and disbursement of moneys</u>
- 37 <u>in the Opioid Recovery and Remediation Fund established by this</u>
- 38 <u>section, and shall do so in</u> consultation with the Opioid Recovery
- 39 and Remediation ²[Fund]² Advisory Council, ¹[as]¹ established
- 40 pursuant to section 2 of this act. The department shall allocate
- 41 funds with an emphasis on supporting programs ¹and strategies ¹
- 42 that are ¹[culturally and gender competent, trauma-informed,]¹
- evidence-based ¹or evidence-informed ¹ and, ¹[where appropriate,
- 44 employ individuals with lived experience as part of the services
- 45 provided. Services to be supported from the fund shall include, but
- shall not be limited to, programs:

(a) To prevent substance use disorder through a youth-focused public health education and prevention campaign, including school-based prevention, early intervention, and health care services and programs to reduce the risk of substance use by school-aged children;

- (b) To develop and implement Statewide public education campaigns to reduce stigma against individuals who use drugs, provide information about the risks of substance use, best practices for addressing substance use disorders, and information on how to locate services that reduce the adverse health consequences associated with drug use or provide treatment for substance use disorders;
- (c) To minimize and eliminate the root causes of health disparities that contribute to the use of drugs and inequities in the treatment of substance use disorder among minority communities;
- (d) To support the State's efforts to divert high-risk individuals from arrest and incarceration through programs with strong case management and harm reduction services that link participants to community-based services, as well as referrals to promote health and understanding for people who use drugs; and
- (e) To establish systems and tools that expand the State's capacity to collect data and evaluate policies, programs, and strategies designed to address substance use disorder in making such allocations, shall consider equitable access for underserviced communities Statewide.
- e. Moneys, other than attorneys' fees, costs, and expenses related to litigation, that are allocated to or otherwise received by the State or any county or municipality as a result of a national opioid litigation resolution, shall be dedicated and used, consistent with the terms of an applicable national opioid litigation resolution and any applicable agreement entered into pursuant to section 3 of P.L., c. (C.) (pending before the Legislature as this bill), for the purpose of addressing opioid use disorder and any cooccurring substance use disorder or mental health conditions through evidence-based or evidence-informed practices or strategies that may include, but shall not be limited to, the following:
- (1) Supporting the treatment of opioid use disorders and any cooccurring substance use disorder or mental health conditions through evidence-based or evidence-informed programs or strategies;
- (2) Supporting individuals in recovery from opioid use disorder, as well as any co-occurring substance use disorder or mental health conditions, through evidence-based or evidence-informed programs or strategies, including, but not limited to, providing support services to the families of such individuals;
- 46 (3) Providing connections to care for people who have, or are at 47 risk of developing, an opioid use disorder or a co-occurring

- substance use disorder or mental health condition, through
 evidence-based or evidence-informed programs or strategies;
- (4) Using evidence-based or evidence-informed programs or strategies to address the needs of persons with an opioid use disorder or a co-occurring substance use disorder or mental health condition who are involved in, are at risk of becoming involved in, or are transitioning out of, the criminal justice system;
- 8 (5) Using evidence-based or evidence-informed programs or 9 strategies to address the needs of pregnant or parenting persons with 10 opioid use disorder or a co-occurring substance use disorder or 11 mental health condition, and the needs of the families of such 12 individuals, including babies with neonatal abstinence syndrome;
- 13 (6) Supporting efforts to prevent over-prescribing and ensure 14 appropriate prescribing and dispensing of opioids through evidence-15 based or evidence-informed programs or strategies;
- 16 (7) Using evidence-based or evidence-informed programs or
 17 strategies to support efforts to discourage or prevent the misuse of
 18 2, and the development of substance use disorders involving, 2
 19 opioids;
 - (8) Using evidence-based or evidence-informed programs or strategies to support efforts to prevent or reduce overdose deaths or other opioid-related harms;
 - (9) Educating law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl and other drugs;
- 26 (10) Providing wellness and support services for first
 27 responders and others who experience secondary trauma associated
 28 with opioid-related emergency events;
- 29 (11) Supporting efforts to provide leadership, planning, 30 coordination, facilitations, training, and technical assistance to 31 abate the opioid epidemic through activities, programs, and 32 strategies;
- 33 (12) Supporting training to abate the opioid epidemic through 34 activities, programs, or strategies;
 - (13) Supporting opioid abatement research;

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- 36 (14) Supporting such other strategies as may be expressly 37 identified in any national opioid litigation resolution; and
- 38 (15) Administrative expenses, subject to limits imposed by any
 39 national opioid litigation resolution or by any agreement entered
 40 pursuant to section 3 of P.L., c. (C.) (pending before the
 41 Legislature as this bill).
- f. Moneys, other than attorneys' fees, costs, and expenses
 related to litigation, that are allocated to or otherwise received by
 the State or any of its counties or municipalities as a result of a
 national opioid litigation resolution shall be used to supplement,
 and shall not supplement federal. State county, or municipal funds as
- 46 <u>and shall not supplant, federal, State, county, or municipal funds, as</u>
- 47 the case may be, that otherwise would have been used to carry out
- 48 the purposes delineated in this act, and no amount of such moneys

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shall be used to reimburse the State or any of its counties or municipalities for past expenditures, except as may otherwise be required to refund to the federal government a portion of the moneys.

g. For the purposes of P.L., c. (C.) (pending before 5 the Legislature as this bill), "national opioid litigation resolution" 6 7 means a settlement agreement, entered into by the Attorney General 8 of New Jersey on behalf of the State and by other state attorneys 9 general on behalf of their respective states, which provides for the 10 participation of states, counties, and municipalities to resolve claims by the state attorneys general and counties and 11 12 municipalities against opioid manufacturers, opioid distributors, or pharmacies ², or persons or entities affiliated with an opioid 13 manufacturer, opioid distributor, or pharmacy, 2 related to the 14 manufacture, marketing, distribution, or dispensing of opioids, or a 15 bankruptcy plan ²[that] which is governed by an agreement entered 16 into pursuant to section 3 of P.L., c. (C.) (pending before 17 the Legislature as this bill) and which² has received final approval 18 and that channels, releases, or otherwise finally disposes of such 19 claims including those of the State and its counties and 20 municipalities¹. 21

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- 2. a. There is established in ²[, but not of,]² the Department of Human Services ²[1,1]² the Opioid Recovery and Remediation ²[Fund]² Advisory Council. The council shall ²[provide the Department of Human Services with ¹general ¹ recommendations on the allocation of funds appropriated to the department from the Opioid Recovery and Remediation Fund, as well as any policy modifications necessary to maximize the use of those funds ¹[on a] at the 1 State and local 1 [level] levels 1 be advisory in nature and its purpose shall be to review proposals, data, and analyses, and engage with stakeholders and community members, to develop and provide recommendations on the allocation and distribution of the State's share of proceeds from national opioid litigation resolutions. The council shall provide information, advice, and general recommendations consistent with its purpose to the Governor, the Commissioner of Human Services, and other executive branch departments and agencies². To effectuate this goal, the council
- (1) ¹ [gather and evaluate State] ² [provide ¹] gather and evaluate ² data ² [¹ to the department ¹] ² regarding ¹ the availability of, gaps in, and barriers to ¹ substance use disorder prevention and treatment programs and ¹ recovery ¹ services ¹ [in order to determine which populations are not reached by current interventions, as well as which geographic areas of the State have programmatic gaps in addressing substance use disorder] ¹; ² [and] ²

- 1 (2) solicit feedback, in a manner and method established by the council, from stakeholders, local providers, ²[and]² advocates ²,
- 3 individuals with lived experience with opioid use disorders,
- 4 including people who have or are in recovery from an opioid use
- 5 <u>disorder and family members of people with an opioid use disorder,</u>
- 6 the academic community, individuals with expertise in areas related
- 7 to substance use disorders, community groups, and members of the
- 8 <u>public</u>, regarding the service needs services needed to prevent
- 9 and treat substance use ¹ [disorder] disorders ¹ across the State ²;
- 10 (3) review and evaluate recommendations submitted by the 11 public using the online portal that was established by the State on 12 August 31, 2022 to enable members of the public to provide 13 recommendations on the expenditure of proceeds from national
- 14 opioid litigation resolutions;

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- (4) evaluate approaches taken by New Jersey and other states in administering proceeds from national opioid litigation resolutions;
- (5) consult with experts and other knowledgeable individuals in both the public and private sectors on any aspect of its duties as the council deems necessary and appropriate; and
- (6) take any other actions as the council deems appropriate to inform its recommendations, with the purpose of promoting the equitable and efficient distribution of settlement funds, including the distribution of funds using evidence-based and evidence-informed practices and strategies².
- b. The council shall ²[consist of 13 members, as follows] comprise²:
 - (1) the Commissioner of Human Services, the Commissioner of Health, ²the Commissioner of Children and Families, ² and the Attorney General, or their designees, who shall serve ¹[as]¹ exofficio ¹[members]¹;
- (2) ²[four] at least 10² public members appointed by the 31 Governor ²[, of which ¹members ¹ one shall possess expertise in 32 33 substance use disorder treatment, one shall possess expertise in 34 harm reduction, one shall possess expertise in criminal justice, and 35 one shall possess expertise in drug policy who reflect the diversity 36 of New Jersey and who shall include public health and policy 37 experts and two or more individuals who have lived experience with 38 opioid use disorders, including one or more individuals who have or 39 are in recovery from an opioid use disorder and one or more family
- 40 members of a person with an opioid use disorder²; ²and²
- 41 (3) ²[three public members ¹[to be], ¹ appointed by the 42 ¹Governor upon recommendation of the ¹ President of the Senate, of 43 which ¹members ¹ one shall possess expertise in substance use 44 disorder treatment, one shall possess expertise in behavioral health
- disorder treatment, one shall possess expertise in behavioral health,
- and one shall possess personal experience with substance use and
- 46 ¹[addiction] ¹ issues ¹related to a substance use disorder ¹; and

- (4) three public members ¹, ¹ appointed by the ¹Governor upon 1 recommendation of the 1 Speaker of the Assembly, of which 2 ¹members ¹ one shall possess expertise in substance use disorder 3 treatment, one shall possess expertise in ¹[behavioral] health ¹care 4 equity¹, and one shall possess ¹[personal experience with 5 substance use and addiction issues expertise in health policy 1 6 such additional ex officio and public members as the Governor 7 deems appropriate². 8
- c. ²[All appointments to the council shall be made no later 9 than the 60th day after the effective date of this act. 10 11 ¹[appointed] <u>public</u> member shall serve a two-year term, with any vacancies in the membership of the council being filled in the same 12 manner as ¹provided for ¹ the original appointments. ¹The Governor 13 14 shall appoint a chairperson from among the public members of the 15 council to serve in such capacity at the pleasure of the Governor. ¹] 16 The public members of the council shall serve at the pleasure of the 17 Governor. The Commissioner of Human Services or the 18 commissioner's designee shall serve as the chairperson of the council.2 19

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- d. The council shall organize as soon as practicable following the appointment of its members ² and shall meet at such frequencies as shall be required by the Governor as well as at the call of the chairperson². ¹[Upon its organization, the council shall select a chairperson from among its members. 1 2 The members shall also select a secretary who need not be a member of the council. The council may hold meetings at ¹[the] such¹ times and places ¹as¹ it may designate. A majority of the authorized membership shall constitute a quorum. The council may conduct business without a quorum, but shall only vote on a recommendation when a quorum is present.]² The members of the council shall serve without compensation, but shall be eligible for reimbursement for necessary and reasonable expenses incurred in the performance of their official duties within the limits of funds appropriated or otherwise made available to the council for its purposes.
- e. The council shall be entitled to receive assistance and services from any State, county, or municipal department, board, commission, or agency as may be made available to it for its purposes. The Department of Human Services shall provide such staff and administrative support to the council as it requires to carry out its responsibilities.
- ¹f. ²(1)² To the extent permissible under the terms of a national opioid litigation resolution, the council shall not be required to, and may refrain from, making recommendations for expenditures that would primarily benefit counties or municipalities that were eligible to participate in the national opioid litigation resolution that yielded such funds but did not participate in the resolution, provided that

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nothing in this subsection shall be deemed to prevent the council from exercising its discretion to make such recommendations should it determine to do so.

²(2) The council may, but shall not be required to, provide information and general recommendations to counties and municipalities concerning the expenditure of the share of proceeds from national opioid litigation resolutions allocated to those counties and municipalities, and may coordinate with any similarly situated county advisory council as the chairperson deems appropriate.²

g. The council shall ² [be considered a "public body" for the purpose of complying with the provisions of the "Senator Byron M. Baer Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.), and shall be subject to the provisions thereof. The "New Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et seq.), shall apply to all members of the council expire 180 days after all proceeds from opioid litigation resolutions are expended and the Department of Human Services issues the final report required pursuant to subsection b of section 5 of P.L., c. (C.) (pending before the Legislature as this bill)². ¹

¹3. The Attorney General, in consultation with the Commissioner of Human Services, shall be authorized to enter into agreements with counties and municipalities concerning the allocation and expenditure of moneys allocated to the State and its counties and municipalities in any national opioid litigation resolution. ¹

¹4. A county ²[or municipality]² that directly receives moneys as a result of a national opioid litigation resolution shall establish an advisory council to provide input, advice, and recommendations on the disbursement ²[and allocation] ² of such moneys ² and, if requested by a municipality within the county, on the disbursement of moneys from a national opioid litigation resolution received by the municipality². Each county ²[or municipal]² advisory council shall, at a minimum, consist of a member possessing expertise in substance use disorder treatment or prevention, a member representing a provider of behavioral health or substance use disorder treatment in the community, a member with personal experience with substance use and substance use disorder issues, the county prosecutor or the county prosecutor's designee, and an individual authorized to appropriate funds on behalf of the governing body of the ²[municipality or]² county ²[, as the case may be,]² or such individual's designee. A county ²[or municipal 2 advisory council may include any additional members as the county ²[or municipality]² deems necessary and appropriate.1

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¹[3.] 5. ¹ ²a. No later than 12 months after the effective date 1 of this act, and annually thereafter ²until all proceeds from national 2 opioid litigation resolutions have been expended², the Department 3 of Human Services, in consultation with the Opioid Recovery and 4 Remediation ²[Fund]² Advisory Council, shall report to the 5 Governor, and to the Legislature pursuant to section 2 of P.L.1991, 6 c.164 (C.52:14-19.1) ^{2 2} on the details of the allocations made with 7 8 the funds appropriated from the Opioid Recovery and Remediation 9 The information shall include the allocation amount, 10 program description, involved community providers, goals of the 11 program, and outcome measures to be used to determine program 12

²b. No later than 180 days after all proceeds from national opioid litigation resolutions have been expended, the Department of Human Services shall prepare and issue to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), a final report concerning the State's expenditure of opioid litigation resolution proceeds, including: the amounts allocated; descriptions of the programs funded using the proceeds; community providers involved in programs receiving allocations from the proceeds; outcomes from programs receiving allocations from the proceeds; overall outcomes resulting from the expenditure of the proceeds, including changes in substance use disorder rates, overdose deaths, participation in substance use disorder treatment and recovery programs, successful treatment outcomes, outcomes involving dual diagnoses involving substance use disorders in combination with other behavioral health conditions, and expansions in substance use disorder and other behavioral health care provider and treatment capacity; and such other information and data as the department deems necessary to fully evaluate the use of opioid litigation resolution funds pursuant to this act.

<u>c.</u>² The department shall ²[also]² post ²[this] <u>the</u>² information ² and reports required pursuant to this section ² on its Internet website.

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¹[4.] 6. This act shall take effect immediately.