

**ELIZABETH F. HARRIS** Chief Deputy Attorney General

**CAROLYN QUATTROCKI** Deputy Attorney General

## STATE OF MARYLAND OFFICE OF THE ATTORNEY GENERAL

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November 7, 2022

Michael Sanderson Executive Director Maryland Association of Counties 169 Conduit Street Annapolis, Maryland 21401

Theresa Kuhns Chief Executive Officer Maryland Municipal League 1212 West Street Annapolis, Maryland 21401

Dear Mr. Sanderson & Ms. Kuhns:

This is an update for all counties and municipalities that elected to participate in the settlements with Johnson & Johnson (Janssen), Amerisource Bergen, Cardinal Health, and McKesson in connection with their respective involvement in the manufacture and distribution of opioid products. In accordance with the Distributors and Janssen National Settlement Agreements of July 21, 2021, and the Maryland State-Subdivision Agreement of January 21, 2022, we have been informed that participating subdivisions will be receiving their first payments soon.

We anticipate that the settlement administration firm, Brown Greer PLC, will soon provide notice of the final amounts of the payments it will make directly to participating subdivisions for 2022 under the settlements. The payment amounts shown in columns C through G of the attached worksheet have been verified by both Brown Greer and by the State, and will be included in Brown Greer's notice.

Columns H through M on the spreadsheet are estimates of future payments for targeted abatement grants that the State will make to participating subdivisions from the amounts that will be deposited for 2022 in the Maryland Opioid Restitution Fund. While these estimated future payments are subject to final calculation and approval by the Department of Health, we hope that they may be helpful for planning purposes.

Michael Sanderson Theresa Kuhns November 7, 2022 Page 2

After receiving the notice from Brown Greer, subdivisions will have 21 days to provide the information necessary to receive payments and to make any objections to the calculations. Assuming, as we expect, that there are no objections, we have been told that payments will follow approximately 7 to 10 days later. Should any subdivision have questions concerning the allocation amounts or the process, please do not hesitate to contact Brian Edmunds at (410) 576-6578 or bedmunds@oag.state.md.us.

The receipt of these funds is merely the first step in what we hope will be our successful collective efforts to address and abate the continuing harms of the opioid crisis. We appreciate the cooperation and hard work that have brought us to this point and look forward to continuing to work together on this very important issue.

Sincerely,

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Brian E. Frosh Attorney General of Maryland

	SSA Allocation	Distributors 1	Distributors 2	Janssen IY-1	Janssen IY-2							FY2023 TOTAL
Base/Incentive <sup>1</sup>		\$16,728,958.71	\$17,581,320.05	\$5,955,616.80	\$13,894,574.47							
ARA (state only) <sup>2</sup>		\$2,130,648.17	\$3,728,634.30	\$410,126.24		Totals						
total		\$18,859,606.88	\$21,309,954.35	\$6,365,743.04	\$13,894,574.47	\$60,429,878.74		Total ORF (75)	\$46,889,761.23			
								Total Direct (25)	\$13,540,117.51			
State 30+ARA <sup>3</sup>	ARA + .30	\$7,149,335.78	\$9,003,030.32	\$2,196,811.28	\$4,168,372.34	\$22,517,549.72						
Abatement Grant <sup>3</sup>	0.45		\$7,911,594.02	\$2,680,027.56	\$6,252,558.51	\$24,372,211.51		Total MD	\$60,429,878.75			
Local Direct <sup>3</sup>	0.25	\$4,182,239.68	\$4,395,330.01	\$1,488,904.20	\$3,473,643.62	\$13,540,117.51						
				ECT PAYMENT (25) (VER	IFIED)			TARGETEI	D ABATEMENT GRAN	TS (45) (ESTIMATED)	<u> </u>	
Subdivision	SSA Allocation	Distributors 1	Distributors 2	Janssen IY-1	Janssen IY-2	FY2023 Direct	Distributors 1	Distributors 2	Janssen 1Y-1	Janssen 1y-2	FY2023 Abatement	FY2023 TOTAL
Allegany County	0.017258195007836	\$72,177.91	\$75,855.46	\$25,695.80	\$59,948.82	\$233,677.99	\$129,920.23	\$136,539.83	\$46,252.44	\$107,907.87	\$420,620.38	\$654,298.37
City of Cumberland	0.002428919809564	\$10,158.32	\$10,675.90	\$3,616.43	\$8,437.20	\$32,887.85	\$18,284.98	\$19,216.63	\$6,509.57	\$15,186.96	\$59,198.15	\$92,086.00
City of Frostburg	0.000574795556254	\$2,403.93	\$2,526.42	\$855.82	\$1,996.63	\$7,782.80	\$4,327.08	\$4,547.55	\$1,540.47	\$3,593.94	\$14,009.04	\$21,791.84
Anne Arundel County	0.115754705719839	\$484,113.92	\$508,780.13	\$172,347.67	\$402,090.59	\$1,567,332.31	\$871,405.06	\$915,804.24	\$310,225.80	\$723,763.07	\$2,821,198.17	\$4,388,530.48
City of Annapolis	0.004089453504515	\$17,103.07	\$17,974.50	\$6,088.80	\$14,205.30	\$55,371.67	\$30,785.53	\$32,354.10	\$10,959.85	\$25,569.55	\$99,669.03	\$155,040.70
Baltimore County	0.206505919243708	\$863,657.25	\$907,661.66	\$307,467.53	\$717,327.97	\$2,796,114.41	\$1,554,583.05	\$1,633,791.00	\$553,441.55	\$1,291,190.34	\$5,033,005.94	\$7,829,120.35
Calvert County	0.020332156762218	\$85,033.95	\$89,366.54	\$30,272.63	\$70,626.67	\$275,299.79	\$153,061.11	\$160,859.77	\$54,490.74	\$127,128.00	\$495,539.63	\$770,839.42
Caroline County	0.007099615642805	\$29,692.29	\$31,205.15	\$10,570.65	\$24,661.53	\$96,129.62	\$53,446.13	\$56,169.28	\$19,027.17	\$44,390.76	\$173,033.33	\$269,162.95
Carroll County	0.034974612232795	\$146,272.21	\$153,724.96	\$52,073.85	\$121,489.34	\$473,560.36	\$263,289.98	\$276,704.93	\$93,732.92	\$218,680.81	\$852,408.65	\$1,325,969.01
City of Westminster	0.001272491391660	\$5,321.86	\$5,593.02	\$1,894.62	\$4,420.18	\$17,229.68	\$9,579.36	\$10,067.44	\$3,410.31	\$7,956.33	\$31,013.43	\$48,243.11
Cecil County	0.039610715155360	\$165,661.50	\$174,102.17	\$58,976.56	\$137,593.51	\$536,333.74	\$298,190.71	\$313,383.90	\$106,157.81	\$247,668.31	\$965,400.73	\$1,501,734.47
Town of Charlestown	0.000067985348931	\$284.33	\$298.82	\$101.22	\$236.16	\$920.53	\$511.80	\$537.87	\$182.20	\$425.08	\$1,656.95	\$2,577.48
Town of Elkton	0.001555631234345	\$6,506.02	\$6,837.51	\$2,316.19	\$5,403.71	\$21,063.43	\$11,710.84	\$12,307.52	\$4,169.13	\$9,726.68	\$37,914.17	\$58,977.60
Town of Northeast	0.000341498019754	\$1,428.23	\$1,501.00	\$508.46	\$1,186.24	\$4,623.93	\$2,570.81	\$2,701.79	\$915.22	\$2,135.24	\$8,323.06	\$12,946.99
Town of Perryville	0.000377454623415	\$1,578.61	\$1,659.04	\$561.99	\$1,311.14	\$5,110.78	\$2,841.49	\$2,986.27	\$1,011.59	\$2,360.06	\$9,199.40	\$14,310.18
Charles County	0.026152937685469	\$109,377.85	\$114,950.79	\$38,939.22	\$90,845.99	\$354,113.85	\$196,880.14	\$206,911.43	\$70,090.59	\$163,522.77	\$637,404.93	\$991,518.78
Dorchester County	0.004641409593961	\$19,411.49	\$20,400.53	\$6,910.61	\$16,122.60	\$62,845.23	\$34,940.68	\$36,720.95	\$12,439.11	\$29,020.69	\$113,121.42	\$175,966.65
City of Cambridge	0.000748936764934	\$3,132.23	\$3,291.82	\$1,115.10	\$2,601.54	\$10,140.69	\$5,638.02	\$5,925.28	\$2,007.17	\$4,682.77	\$18,253.25	\$28,393.94
Town of Vienna	0.000013653564661	\$57.10	\$60.01	\$20.33	\$47.43	\$184.87	\$102.78	\$108.02	\$36.59	\$85.37	\$332.77	\$517.64
Frederick County	0.041774525074537	\$174,711.08	\$183,612.82	\$62,198.27	\$145,109.81	\$565,631.98	\$314,479.94	\$330,503.08	\$111,956.88	\$261,197.66	\$1,018,137.56	\$1,583,769.54
City of Frederick	0.004765935149124	\$19,932.28	\$20,947.86	\$7,096.02	\$16,555.16	\$64,531.32	\$35,878.11	\$37,706.14	\$12,772.84	\$29,799.29	\$116,156.38	\$180,687.70
Garrett County	0.004447811049819	\$18,601.81	\$19,549.60	\$6,622.36	\$15,450.11	\$60,223.88	\$33,483.26	\$35,189.28	\$11,920.26	\$27,810.20	\$108,402.99	\$168,626.87
Town of Grantsville	0.000041758207759	\$174.64	\$183.54	\$62.17	\$145.05	\$565.40	\$314.36	\$330.37	\$111.91	\$261.10	\$1,017.74	\$1,583.14
Town of Mtn Lake Park	0.000096052951643	\$401.72	\$422.18	\$143.01	\$333.65	\$1,300.56	\$723.09	\$759.93	\$257.42	\$600.58	\$2,341.02	\$3,641.58
Town of Oakland	0.000094404145069	\$394.82	\$414.94	\$140.56	\$327.93	\$1,278.25	\$710.68	\$746.89	\$253.01	\$590.27	\$2,300.84	\$3,579.09
Harford County	0.059196960067008	\$247,575.88	\$260,190.18	\$88,138.60	\$205,629.14	\$801,533.80	\$445,636.58	\$468,342.32	\$158,649.48	\$370,132.46	\$1,442,760.83	\$2,244,294.63
City of Aberdeen	0.001088428823115	\$4,552.07	\$4,784.00	\$1,620.57	\$3,780.81	\$14,737.45	\$8,193.73	\$8,611.21	\$2,917.02	\$6,805.46	\$26,527.42	\$41,264.87
Town of Bel Air	0.000770018411511	\$3,220.40	\$3,384.49	\$1,146.48	\$2,674.77	\$10,426.14	\$5,796.72	\$6,092.07	\$2,063.67	\$4,814.59	\$18,767.05	\$29,193.19
City of Havre de Grace	0.001077572463104	\$4,506.67	\$4,736.29	\$1,604.40	\$3,743.10	\$14,590.46	\$8,112.00	\$8,525.32	\$2,887.92	\$6,737.58	\$26,262.82	\$40,853.28
Howard County	0.045775040692193	\$191,442.19	\$201,196.41	\$68,154.65	\$159,006.18	\$619,799.43	\$344,595.94	\$362,153.54	\$122,678.37	\$286,211.12	\$1,115,638.97	\$1,735,438.40
Kent County	0.005337087680752	\$22,320.98	\$23,458.26	\$7,946.41	\$18,539.14	\$72,264.79	\$40,177.76	\$42,224.87	\$14,303.54	\$33,370.45	\$130,076.63	\$202,341.42
Montgomery County	0.122364078640711	\$511,755.90	\$537,830.51	\$182,188.39	\$425,049.20	\$1,656,824.00	\$921,160.63	\$968,094.91	\$327,939.10	\$765,088.56	\$2,982,283.21	\$4,639,107.21
City of Gaithersburg	0.003348930793396	\$14,006.03	\$14,719.66	\$4,986.24	\$11,632.99	\$45,344.92	\$25,210.86	\$26,495.38	\$8,975.23	\$20,939.39	\$81,620.85	\$126,965.77
City of Rockville	0.003701720589443	\$15,481.48	\$16,270.28	\$5,511.51	\$12,858.46	\$50,121.73	\$27,866.67	\$29,286.51	\$9,920.71	\$23,145.22	\$90,219.12	\$140,340.85
City of Takoma Park	0.000998432691531	\$4,175.68	\$4,388.44	\$1,486.57	\$3,468.20	\$13,518.89	\$7,516.23	\$7,899.19	\$2,675.83	\$6,242.76	\$24,334.01	\$37,852.90

Subdivision	SSA Allocation	Distributors 1	Distributors 2	Janssen IY-1	Janssen IY-2	FY2023 Direct	Distributors 1	Distributors 2	Janssen 1Y-1	Janssen 1y-2	FY2023 Abatement	FY2023 TOTAL
Prince George's County	0.101175580318212	\$423,140.53	\$444,700.06	\$150,640.75	\$351,447.91	\$1,369,929.25	\$761,652.95	\$800,460.12	\$271,153.34	\$632,606.24	\$2,465,872.64	\$3,835,801.89
City of Bowie	0.002938896737771	\$12,291.17	\$12,917.42	\$4,375.74	\$10,208.68	\$39,793.01	\$22,124.11	\$23,251.36	\$7,876.32	\$18,375.62	\$71,627.41	\$111,420.42
City of College Park	0.001522558807604	\$6,367.71	\$6,692.15	\$2,266.94	\$5,288.83	\$20,615.63	\$11,461.87	\$12,045.87	\$4,080.50	\$9,519.89	\$37,108.13	\$57,723.76
Town of Cottage City	0.000077339593628	\$323.45	\$339.93	\$115.15	\$268.65	\$1,047.18	\$582.21	\$611.88	\$207.27	\$483.57	7 \$1,884.94	\$2,932.12
Town of Forrest Heights	0.000131629106270	\$550.50	\$578.55	\$195.98	\$457.23	\$1,782.26	\$990.91	\$1,041.40	\$352.77	\$823.02	2 \$3,208.09	\$4,990.35
City of Greenbelt	0.001416086990481	\$5,922.42	\$6,224.17	\$2,108.42	\$4,918.98	\$19,173.99	\$10,660.35	\$11,203.51	\$3,795.15	\$8,854.17	7 \$34,513.17	\$53,687.16
City of Hyattsville	0.000956826161625	\$4,001.68	\$4,205.57	\$1,424.62	\$3,323.67	\$12,955.54	\$7,203.02	\$7,570.02	\$2,564.32	\$5,982.61	L \$23,319.97	\$36,275.51
City of Laurel	0.001460551426490	\$6,108.38	\$6,419.61	\$2,174.62	\$5,073.44	\$19,776.05	\$10,995.08	\$11,555.29	\$3,914.32	\$9,132.18	\$35,596.87	\$55,372.92
City of New Carrollton	0.000652338686837	\$2,728.24	\$2,867.24	\$971.27	\$2,265.99	\$8,832.74	\$4,910.83	\$5,161.04	\$1,748.29	\$4,078.79	\$15,898.94	\$24,731.68
Town of North Brentwood	0.000025894185624	\$108.30	\$113.81	\$38.55	\$89.95	\$350.61	\$194.93	\$204.86	\$69.40	\$161.90	\$631.10	\$981.71
City of Seat Pleasant	0.000255347689131	\$1,067.93	\$1,122.34	\$380.19	\$886.99	\$3,457.45	\$1,922.27	\$2,020.21	\$684.34	\$1,596.58	\$6,223.39	\$9,680.84
Town of Upper Marlboro	0.000039824355919	\$166.56	\$175.04	\$59.29	\$138.34	\$539.23	\$299.80	\$315.07	\$106.73	\$249.00	\$970.61	\$1,509.84
Queen Anne's County	0.009317894492236	\$38,969.67	\$40,955.22	\$13,873.45	\$32,367.04	\$126,165.38	\$70,145.40	\$73,719.40	\$24,972.21	\$58,260.68	\$\$227,097.70	\$353,263.08
Somerset County	0.004853355527106	\$20,297.90	\$21,332.10	\$7,226.18	\$16,858.83	\$65,715.01	\$36,536.21	\$38,397.78	\$13,007.13	\$30,345.89	\$118,287.01	\$184,002.02
St. Mary's County	0.018195974700277	\$76,099.93	\$79,977.31	\$27,092.06	\$63,206.33	\$246,375.63	\$136,979.87	\$143,959.16	\$48,765.71	\$113,771.40	\$443,476.14	\$689,851.77
Talbot County	0.005589157568849	\$23,375.20	\$24,566.19	\$8,321.72	\$19,414.74	\$75,677.85	\$42,075.35	\$44,219.15	\$14,979.10	\$34,946.53	\$136,220.13	\$211,897.98
Town of Easton	0.001362599287146	\$5,698.72	\$5,989.07	\$2,028.78	\$4,733.18	\$18,449.75	\$10,257.69	\$10,780.33	\$3,651.80	\$8,519.73	\$33,209.56	\$51,659.31
Washington County	0.034017751340784	\$142,270.39	\$149,519.24	\$50,649.17	\$118,165.54	\$460,604.34	\$256,086.70	\$269,134.64	\$91,168.51	\$212,697.98	\$829,087.83	\$1,289,692.17
City of Hagerstown	0.003575349432588	\$14,952.97	\$15,714.84	\$5,323.35	\$12,419.49	\$48,410.65	\$26,915.34	\$28,286.71	\$9,582.04	\$22,355.08	\$87,139.17	\$135,549.82
Wicomico County	0.019089164474328	\$79,835.46	\$83,903.18	\$28,421.94	\$66,308.95	\$258,469.53	\$143,703.83	\$151,025.72	\$51,159.49	\$119,356.12	2 \$465,245.15	\$723,714.68
City of Salisbury	0.002789688242953	\$11,667.14	\$12,261.60	\$4,153.58	\$9,690.38	\$37,772.70	\$21,000.86	\$22,070.88	\$7,476.44	\$17,442.69	\$67,990.87	\$105,763.57
Worcester County	0.011549523884427	\$48,302.88	\$50,763.97	\$17,196.13	\$40,118.93	\$156,381.91	\$86,945.18	\$91,375.14	\$30,953.04	\$72,214.07	7 \$281,487.44	\$437,869.35
Town of Berlin	0.000326822696975	\$1,366.85	\$1,436.49	\$486.61	\$1,135.27	\$4,425.22	\$2,460.33	\$2,585.69	\$875.89	\$2,043.48	\$7,965.39	\$12,390.61
TOTAL			\$4,395,330.01	\$1,488,904.18	\$3,473,643.59	\$9,357,877.78						\$37,912,328.95
	NOTES											
	<sup>1</sup> The Distributors and Ja	anssen National Settlemen	t Agreements distinguish b	etween annual "base" ar	nd "incentive" or "bonu	s" payments. The State a	nd its participating subdiv	sions earned base p	ayments by entering	into the settlement ag	greements. The specific amount of	
	<sup>1</sup> The Distributors and Janssen National Settlement Agreements distinguish between annual "base" and "incentive" or "bonus" payments. The State and its participating subdivisions earned base payments by entering into the settlement agreements. The specific amount of incentive payments is determined by the level of participation of eligible subdivisions in the settlements. Maryland's incentive compensation is based on achieving over 90 percent participation of eligible subdivisions.											
	<sup>2</sup> In addition to the base		aunta marathan ćo billia		lational Cattlement Age		مقميله والمعاد والمعالمة		and from the line of a		when for find Manuland and	
	<sup>2</sup> In addition to the base and incentive payment amounts, more than \$2 billion were set aside by the National Settlement Agreements for the payment of subdivisions' and other states' outside counsel fees. In lieu of receiving payments from the fee fund, Maryland and other states that did not use outside counsel receive an Additional Restitution Amount that they committed to abatement purposes.											
	<sup>3</sup> The State-Subdivision Agreement between the State and its participating subdivisions governs the allocation of base and incentive payments. Under the agreement, the State receives 30 percent of all base and incentive payments for deposit in the Opioid Restitution Fund											
	established by Md. Code Ann., State Finance & Procurement § 7-331 ("ORF"). The State receives another 45 percent of base and incentive amounts from which it will make targeted abatement grants from the ORF to subdivisions' local abatement funds according to a											
	formula that takes into account population and level of opioid-crisis-related need. Finally, subdivisions receive the remaining 25 percent of all base and incentive payments (allocated according to the same formula) in direct payments from the settlement administrator to											
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