AN ACT IMPLEMENTING THE GOVERNOR’S BUDGET RECOMMENDATIONS REGARDING THE USE OF OPIOID LITIGATION PROCEEDS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (Effective July 1, 2022) As used in this section and sections 2 to 5, inclusive, of this act:

(1) "Commissioner" means the Commissioner of Mental Health and Addiction Services.

(2) "Committee" means the Opioid Settlement Advisory Committee established pursuant to section 3 of this act.

(3) "Department" means the Department of Mental Health and Addiction Services.

(4) "Evidence-based" means meeting one of the following evidentiary criteria for an activity, practice, program, service, support or strategy: (A) Meta-analyses or systematic reviews have found the activity, practice, program, service, support or strategy to be effective; (B) evidence from a scientifically rigorous experimental study, including, but not limited to, a randomized controlled trial, demonstrates the activity, practice, program, service, support or strategy is effective; or
(C) multiple observational studies from locations in the United States indicate the activity, practice, program, service, support or strategy is effective. As used in this subdivision, "effective" means helping persons avoid the development and progression of substance use disorders or drug-related harms, reducing the adverse consequences of substance use among persons who use substances, or managing, slowing the progression of, or supporting recovery from a person's substance use disorder or co-occurring mental health disorder.

(5) "Fund" means the Opioid Settlement Fund established pursuant to section 2 of this act.

(6) "Harm reduction" means a reduction of, or attempt to reduce, the adverse consequences of substance use, including, but not limited to, by addressing the substance use and conditions that give rise to such substance use. "Harm reduction" includes, but is not limited to, syringe service programs, naloxone distribution and public awareness campaigns about Good Samaritan laws.

(7) "Infrastructure" means the resources, including, but not limited to, personnel, buildings and equipment, required for an agency of the state, municipality, other government entity or nonprofit organization to provide substance use disorder prevention, treatment, recovery and harm reduction programs, services, supports and resources.

(8) "Prevention" means efforts to avoid the development and progression of substance use disorders and drug-related harms.

(9) "Recovery" means an active process of continual growth that addresses the biological, psychological, social and spiritual disturbances inherent in addiction.

(10) "Substance use disorder" means a pattern of use of alcohol or other substances that meets the applicable diagnostic criteria delineated in the most recent edition of the American Psychiatric Association's
Diagnostic and Statistical Manual of Mental Disorders.

(11) "Treatment" means a service to intervene upon, care for, manage, slow progression of or support recovery from a substance use disorder or co-occurring mental health disorder. "Treatment" includes, but is not limited to, an individualized service to address a person's medical needs, including, screening for and diagnosing of substance use disorders and co-occurring mental or physical health disorders and pharmacological and nonpharmacological therapeutic interventions.

Sec. 2. (NEW) (Effective July 1, 2022) (a) There is established an Opioid Settlement Fund which shall be a separate nonlapsing fund administered by the committee.

(b) Any moneys intended to address opioid use, related disorders or the impact of the opioid epidemic that are received by the state from any judgment, consent decree or settlement paid by any defendant, which is finalized on or after July 1, 2021, related to the production, distribution, dispensing and other activities related to opioids shall be deposited into the fund. Moneys remaining in the fund at the end of a fiscal year shall not revert to the General Fund.

(c) Notwithstanding any provision of subsection (b) of this section, if the commissioner and the Attorney General certify that the purposes of such judgment, consent decree or settlement are inconsistent with the intent of the provisions of this section and sections 3 to 5, inclusive, of this act, the commissioner and Attorney General (1) shall report in writing to the committee such certification, including any identification by the commissioner and Attorney General of an alternate fund or account and explanation of the reasons for depositing such moneys in such alternate fund or account, and (2) may deposit such moneys into such alternate fund or account. The commissioner and Attorney General shall jointly report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General
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Assembly having cognizance of matters relating to public health regarding the intended use of such moneys in such alternate fund or account prior to allocating such moneys for other purposes.

(d) Beginning on December 31, 2022, and annually thereafter, the State Treasurer shall report the following to the committee:

(1) An inventory of fund investments as of the most recent fiscal year; and

(2) The net income earned by the fund in the most recent fiscal year.

(e) Moneys in the fund shall be spent only for the following substance use disorder abatement purposes, in accordance with the controlling judgment, consent decree or settlement, as confirmed by the Attorney General's review of such judgment, consent decree or settlement and upon the approval of the committee and the Secretary of the Office of Policy and Management:

(1) State-wide, regional or community substance use disorder needs assessments to identify structural gaps and needs to inform expenditures from the fund;

(2) Infrastructure required for evidence-based substance use disorder prevention, treatment, recovery or harm reduction programs, services and supports;

(3) Programs, services, supports and resources for evidence-based substance use disorder prevention, treatment, recovery or harm reduction;

(4) Evidence-informed substance use disorder prevention, treatment, recovery or harm reduction pilot programs or demonstration studies that are not evidence-based, but are approved by the committee as an appropriate use of moneys for a limited period of time as specified by
the committee, provided the committee shall assess whether the evidence supports funding such programs or studies or whether it provides a basis for funding such programs or studies with an expectation of creating an evidence base for such programs and studies;

(5) Evaluation of effectiveness and outcomes reporting for substance use disorder abatement infrastructure, programs, services, supports and resources for which moneys from the fund have been disbursed, including, but not limited to, impact on access to harm reduction services or treatment for substance use disorders or reduction in drug-related mortality;

(6) One or more publicly available data interfaces managed by the commissioner to aggregate, track and report data on (A) substance use disorders, overdoses and drug-related harms, (B) spending recommendations, plans and reports, and (C) outcomes of programs, services, supports and resources for which moneys from the fund were disbursed;

(7) Research on opioid abatement, including, but not limited to, development of evidence-based treatment, barriers to treatment, nonopioid treatment of chronic pain and harm reduction, supply-side enforcement;

(8) Documented expenses incurred in administering and staffing the fund and the committee, and expenses, including, but not limited to, legal fees, incurred by the state or any municipality in securing settlement proceeds, deposited in the fund as permitted by the controlling judgment, consent decree or settlement;

(9) Documented expenses associated with managing, investing and disbursing moneys in the fund; and

(10) Documented expenses, including legal fees, incurred by the state or any municipality in securing settlement proceeds deposited in the
fund to the extent such expenses are not otherwise reimbursed pursuant to a fee agreement provided for by the controlling judgment, consent decree or settlement.

(f) (1) For purposes of this section, the fund balance shall be determined by the State Treasurer as of July first, annually.

(2) Except as permitted by subdivision (8) of subsection (e) of this section, or unless otherwise required by court order to refund to the federal government a portion of the proceeds, moneys in the fund shall be used for prospective purposes and shall not be used to reimburse expenditures incurred prior to July 1, 2022.

(3) Proceeds derived from any state settlement of claims against a defendant shall be allocated and disbursed only to those municipalities that execute an agreement to participate in such settlement and adhere to the terms of such agreement, provided the allocation or disbursement of such settlement proceeds for the benefit of persons within municipalities that do not execute an agreement to participate in such settlement or do not adhere to the terms of such agreement shall not be precluded or limited.

(4) Governmental and nonprofit nongovernmental entities shall be eligible to receive moneys from the fund for programs, services, supports and resources for prevention, treatment, recovery and harm reduction.

(5) Subject to the provisions of subdivision (6) of this subsection, fund disbursements shall be made by the commissioner upon approval of the committee. The commissioner shall not make or refuse to make any disbursement allowable under this subsection without the approval of the committee. The commissioner shall adhere to the committee's decisions regarding disbursement of moneys from the fund, provided such disbursement is a permissible expenditure under this section. The
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commissioner's role in the distribution of moneys after the distribution has been approved by the committee and after the review and approval required under subsection (e) of this section shall be ministerial and shall not be discretionary.

(6) Moneys expended from the fund for the purposes set forth in subsection (d) of this section shall be supplemental to, and shall not supplant or take the place of, any other funds, including, but not limited to, insurance benefits or local, state or federal funding, that would otherwise have been expended for such purposes. The commissioner shall not disburse moneys from the fund during any fiscal year unless the Secretary of the Office of Policy and Management transmits to the committee a letter verifying that funds appropriated and allocated in such fiscal year's budget for substance use disorder abatement infrastructure, programs, services, supports and resources for prevention, treatment, recovery and harm reduction are in an amount not less than the sum of the funds for such purposes appropriated and allocated in the previous fiscal year's budget. As used in this subdivision, "supplemental" means additional funding, consistent with the provisions of this section, for substance use disorder abatement infrastructure or a substance use disorder abatement program, service, support or resource to ensure that funding in the current fiscal year exceeds the sum of federal, state, and local funds allocated in the previous fiscal year for such substance use disorder abatement infrastructure, program, service, support or resource.

Sec. 3. (NEW) (Effective July 1, 2022) (a) There is established an Opioid Settlement Advisory Committee to ensure (1) that proceeds received by the state pursuant to section 2 of this act are allocated and spent on substance use disorder abatement infrastructure, programs, services, supports and resources for prevention, treatment, recovery and harm reduction, and (2) robust public involvement, accountability and transparency in allocating and accounting for the moneys in the fund.
(b) The committee shall consist of the following members:

(1) The Secretary of the Office of Policy and Management, or the secretary's designee;

(2) The Attorney General, or the Attorney General's designee;

(3) The Commissioners of Children and Families, Mental Health and Addiction Services and Public Health, or said commissioners' designees, who shall serve as ex-officio members;

(4) The president pro tempore of the Senate, the speaker of the House of Representatives, the majority leaders of the Senate and House of Representatives, the minority leaders of the Senate and House of Representatives, the Senate and House chairpersons of the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, or their designees, provided such persons have experience living with a substance or disorder or are the family member of a person who has experience living with a substance use disorder;

(5) Seventeen individuals representing municipalities, who shall be appointed by the Governor;

(6) The executive director of the Commission on Racial Equity in Public Health, or a representative of the commission designated by the executive director; and

(7) Six individuals appointed by the commissioner as follows: (A) A provider of community-based substance use treatment services for adults, who shall be a nonvoting member; (B) a provider of community-based substance use treatment services for adolescents, who shall be a nonvoting member; (C) an addiction medicine licensed health care professional with prescribing ability, who shall be a nonvoting member; and (D) three individuals with experience living with a substance use disorder.
disorder or family members of an individual with experience living with a substance use disorder.

(c) The commissioner shall be co-chairperson of the committee. The speaker of the House of Representatives and the president pro tempore of the Senate shall appoint a co-chairperson from among the individuals representing municipalities appointed pursuant to subdivision (5) of subsection (b) of this section. The co-chairpersons of the committee shall be nonvoting members.

(d) Notwithstanding any other provision of the general statutes, it shall not be a conflict of interest for a trustee, director, officer or employee of an organization, or for any person having a financial interest in such organization, to serve as a member of the committee, provided such trustee, director, officer, employee or person shall disclose such position or interest to all other members of the committee and abstain from deliberation, action and vote by the committee under this section that specifically concerns the organization of which such member is a trustee, director, officer or employee, or in which such member has a financial interest.

(e) All initial appointments to the committee shall be made not later than October 1, 2022. Each member of the committee, other than the ex-officio members, shall serve for a term of two years, shall serve no more than two consecutive terms and may serve until a successor is appointed, except that in the event of any vacancy, the appointing authority shall fill such vacancy for the unexpired portion of such term. Any member of the committee may be removed by the appointing authority for misfeasance, malfeasance or wilful neglect of duty.

(f) The committee shall have the following duties and powers:

(1) Recommend and approve policies and procedures for administration of the committee and criteria for the application,
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awarding and disbursement of moneys from the fund, to be used for the purposes set forth in section 2 of this act;

(2) Recommend and approve goals, objectives, rationales for such goals and objectives, sustainability plans and performance indicators relating to: (A) Substance use disorder prevention, treatment, recovery and harm reduction efforts, including, but not limited to, methods of engaging persons who utilize harm reduction services in treatment and recovery; (B) reducing disparities in access to prevention, treatment, recovery and harm reduction programs, services, supports and resources; and (C) improving health outcomes in traditionally underserved populations, including, but not limited to, persons who live in rural or tribal communities, are members of racial or ethnic minorities or were formerly incarcerated; and

(3) Approve the allocation of moneys from the fund.

(g) Notwithstanding the provisions of section 2-5 of the general statutes, the department shall:

(1) Employ a full-time manager of the committee and provide public health research and policy expertise, support staff, facilities, technical assistance and other resources to (A) assist the manager of the committee in planning and supporting the functions of the committee, including ensuring that proceeds received by this state pursuant to section 2 of this act are allocated and spent on substance use disorder abatement infrastructure, programs, services, supports, and resources for prevention, treatment, recovery and harm reduction, and (B) ensure robust public involvement, accountability and transparency in allocating and accounting for the moneys in the fund;

(2) Utilize, where feasible, appropriations from the General Fund and existing infrastructure, programs, services, supports or other resources to address substance use disorders, overdoses and drug-related harms;
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(3) Prepare for review and approval by the committee of the department's goals, objectives, rationales for such goals and objectives, sustainability plans and performance indicators relating to (A) substance use disorder prevention, treatment, recovery and harm reduction efforts, including, but not limited to, methods of engaging persons who utilize harm reduction services in treatment and recovery, and (B) reducing disparities in access to prevention, treatment, recovery and harm reduction programs, services, supports and resources;

(4) Evaluate applications and make recommendations to the committee for the awarding of contracts and disbursements of moneys from the fund exclusively for permissible expenditures set forth in section 2 of this act;

(5) Upon receipt of final approval by the committee, disburse moneys from the fund exclusively for permissible expenditures set forth in section 2 of this act;

(6) Approve suspensions of allocations of moneys from the fund to recipients found by the committee or commissioner to (A) be substantially out of compliance with applicable contracts, policies, procedures, rules, regulations or state or federal law, or (B) have used such awards for a purpose other than an approved purpose, provided the committee may resume approval of such allocations once the committee has determined the recipient has adequately remedied the cause of such suspension;

(7) Maintain oversight over the expenditure of moneys from the fund to ensure moneys are used exclusively for the purposes set forth in section 2 of this act, including, but not limited to, implementing procedures for evaluating the effectiveness of the infrastructure, programs, services, supports or resources that are funded pursuant to said section; and
(8) Implement and publish on the department's Internet web site policies and procedures for administration of the committee and for the application, awarding and disbursement of moneys from the fund, to be used for the purposes set forth in section 2 of this act.

(h) On or before October 1, 2023, and annually thereafter, recipients of moneys from the fund shall file with the committee an annual report for the prior fiscal year detailing the effectiveness of infrastructure, programs, services, supports or resources that were funded, including, but not limited to, the following:

(1) A description of how the recipient used the moneys for their intended purposes;

(2) The number of individuals served, delineated by race, age, gender and any other relevant demographic factor, which shall be reported in a deidentified manner;

(3) A specific analysis of whether the infrastructure, program, service, support or resources reduced mortality or improved prevention, treatment, harm reduction or recovery outcomes; and

(4) If a plan to ensure the sustainability of the infrastructure, program, service, support or resources funded exists, a summary of such plan.

(i) The committee shall hold quarterly public meetings. A meeting may be called by the chairperson or by a majority of the committee's members. Members may attend meetings in person, remotely by audiovisual means or, upon approval by the chairperson, by audio-only means. For each meeting of the committee, a majority of the voting members shall constitute a quorum for the transaction of business. If there is a quorum, then all actions of the committee shall be taken by an affirmative vote of a majority of the members present at the meeting. Each voting member shall have one vote. The committee shall terminate when all moneys received pursuant to section 2 of this act have been
received and disbursed unless the Attorney General certifies that additional moneys are anticipated.

(j) The department shall create and maintain an Internet web site where the committee shall publish (1) meeting minutes, including, but not limited to, records of all votes to approve expenditures of moneys from the fund, (2) recipient agreements and reports required under subsection (h) of this section, (3) policies and procedures approved by the committee, and (4) the committee's annual reports.

Sec. 4. (NEW) (Effective July 1, 2022) The department shall disburse moneys from the fund in a manner consistent with the limitations on uses of litigation proceeds set forth in any controlling court order. If a controlling court order permits expenditures other than or in excess of expenditures authorized under section 2 of this act, the department shall adhere to the limitations on use of moneys set forth in section 2 of this act. If the provisions of section 2 of this act permit expenditures other than or in excess of those authorized in a controlling court order, the department shall adhere to the limitations on use of moneys set forth in the court order.

Sec. 5. (NEW) (Effective July 1, 2022) (a) Not later than January 15, 2023, and annually thereafter, the committee shall report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to public health and appropriations and the budgets of state agencies, on the activities carried out by the committee pursuant to sections 2 to 4, inclusive, of this act, including, but not limited to, the following:

(1) The opening and closing balance of the fund for the most recent fiscal year;

(2) An accounting of all credits to, and expenditures from, the fund;
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(3) An inventory of fund investments as of the most recent fiscal year and the net income the fund earned for the most recent fiscal year as determined by the State Treasurer pursuant to section 2 of this act;

(4) The name and a description of each recipient of moneys from the fund, and the amount awarded to such recipient;

(5) A description of each award's intended use, including, but not limited to, the (A) specific program, service or resource funded, (B) population served, and (C) measures that the recipient will use to assess the impact of the award;

(6) The primary criteria used to determine each recipient and its respective award amount;

(7) A summary of information included in the recipient report required under subsection (h) of section 3 of this act;

(8) All applications for an award of moneys from the fund received during the most recent fiscal year;

(9) A description of any finding or concern as to whether all moneys disbursed from the fund, other than expenses authorized under section 2 of this act, supplemented, and did not supplant or replace, any existing or future local, state or federal government funding;

(10) The performance indicators and progress toward achieving the goals and objectives developed pursuant to section 3 of this act, including, but not limited to, metrics on improving outcomes and reducing mortality and other harms related to substance use disorders;

(11) The dollar amount and the percentage of the fund balance incurred for expenses of administering and staffing the fund and the committee during the most recent fiscal year;

(12) The dollar amount and the percentage of the fund balance
incurred for expenses associated with managing, investing and disbursing moneys in the fund during the most recent fiscal year; and

(13) An explanation of any funds certified by the commissioner and Attorney General pursuant to section 2 of this act as being inconsistent with the intent of this section and sections 2 to 4, inclusive, of this act and the account or fund where such funds were deposited.

(b) The commissioner shall post the report required under subsection (a) of this section on the department's Internet web site.

Sec. 6. (NEW) (Effective July 1, 2022) Nothing in sections 1 to 5, inclusive, of this act shall preclude the funding of a trust for direct support and services for survivors and victims of the opioid epidemic and the family members of such survivors and victims who have been directly impacted by such epidemic, pursuant to the settlement agreement dated March 11, 2022, between the Nine, identified in such settlement agreement as eight states, including this state, and the District of Columbia, and the Sackler parties.

Approved May 23, 2022