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) "Opioid Litigation Proceeds Act" means the provisions of this section and sections 2 to 5, inclusive, of this act.

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

(10) "Recovery" means an active process of continual growth that addresses the biological, psychological, social and spiritual disturbances inherent in addiction.
(11) "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.

(12) "Supplemental" means additional funding, consistent with the provisions of section 2 of this act, 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.

(13) "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.

(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) Expenses incurred in administering and staffing the fund and the committee, as permitted by the controlling judgment, consent decree or settlement; and

(8) Expenses associated with managing, investing and disbursing moneys in the fund.

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

(2) 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 private provider, 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 subsection (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
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 and the minority leaders of the Senate and House of
Representatives, or their designees;

(5) Sixteen 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) Seven individuals appointed by the commissioner as follows: (A) Two individuals in recovery from a substance use disorder or representing an advocacy group for individuals with a substance use disorder; (B) a provider of community-based substance use treatment services for adults, who shall be a nonvoting member; (C) a provider of community-based substance use treatment services for adolescents, who shall be a nonvoting member; (D) an addiction medicine licensed health care professional with prescribing ability, who shall be a nonvoting member; and (E) two family members of individuals with a substance use disorder.

(c) The commissioner shall be chairperson of the committee.

(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,
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; (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) 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;

(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, 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; 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;

(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.

This act shall take effect as follows and shall amend the following sections:

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<th>Section</th>
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Statement of Purpose:
To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]