

**State of Alabama Opioid Settlements – 3.5.24  
Amounts Received**

I. McKinsey

- A. Received Year 1, Year 2, and Year 3 payments totaling \$8,442,662.18. After attorneys' fees, the State has so far received ~\$6,582,936.49.
- B. McKinsey will make additional payments of \$394,879.85 in April 2024 and April 2025. After attorneys' fees, the State will receive ~\$616,012.56 over those two years.
- C. Ultimate total for the State will be **\$7,198,949.05**.

II. McKesson

- A. Total abatement amount was \$141 million, split evenly between the State and local entities (subdivisions, county health departments, and public hospitals).
- B. Received payments for Years 1 and 2 totaling \$14,100,000.
- C. McKesson will pay the State \$7,050,000 per year over the next eight years (including 2024), with \$50,000 subtracted from the final year's payment if Chelsea does not file suit against McKesson (McKesson was not obligated to pay because we did not have full participation, but they agreed to do so with the \$50,000 holdback from the last payment).
- D. Ultimate total for the State (and only the State) will be **\$70,450,000-**.

III. Janssen (J&J)

- A. Total abatement amount was \$70,329,014.38, split evenly between the State and local entities.
- B. The State has received \$21,855,403.49.
- C. J&J is holding back \$3,516,450.72 because Chelsea did not participate. J&J will pay that amount after two years if Chelsea does not sue them.

After attorneys' fees are deducted from the payment of the holdback, the State will receive \$3,094,476.63.

D. Ultimate total for the State (and only the State) will be **\$24,949,880.12**.

IV. Walmart

A. Total abatement is \$38,700,000, with most going to the subdivisions. The ultimate total paid to the State was **\$3,000,000**.

**Amounts to be Received in the Future**

I. Cardinal Health & Cencora (formerly AmerisourceBergen)

A. Total abatement amount to Alabama is \$220 million, to be paid over ten years. The settlement is being split evenly between the State and local entities.

B. The State must obtain full participation from all required subdivisions before the companies start payment. That process is underway.

II. Allergan

A. Total abatement amount to Alabama is ~\$34,040,657.07, to be paid over 7 years. The settlement is being split evenly between the State and local entities.

B. Alabama's share (state and subdivisions) is \$34,040,657.07 (~1.89%).

C. The State's ultimate share after splitting with the subdivisions will be **~\$17,020,328.54**.

D. The State must obtain full participation from all required subdivisions to receive full payment.

E. The first payment should come before or in early Spring 2024.

### III. Teva

- A. Total abatement amount to Alabama is ~\$57,138,399.98, to be paid over 13 years. The settlement is being split evenly between the State and local entities.
- B. The State's ultimate share after splitting with the subdivisions will be **~\$28,569,466.99**.
- C. The State must obtain full participation from all required subdivisions to receive full payment.
- D. There is also a product option which we could convert to cash. As it stands now, the cash value of the product is set at \$240,000,000. Our share of the cash conversion would come to \$4,655,647.13. We'd still have to pay attorneys' fees from that number (and would presumably split it with the subdivisions).
- E. The first payment should come before or in early Spring 2024.

### IV. CVS

- A. Total abatement amount to Alabama is ~\$75,851,591.91, to be paid over 10 years. The settlement is being split evenly between the State and local entities. abatement amount is \$4,279,160,837, over 10 years.
- B. Alabama's share (state and subdivisions) is \$75,581,591.91 (~1.77%).
- C. The State's ultimate share will be **~\$37,790,795.96**.
- D. The State must obtain full participation from all required subdivisions to receive full payment.
- E. The first payment should come before or in early Spring 2024

V. Walgreens

- A. Total abatement amount to Alabama is ~\$82,187,066.19, to be paid over 10 years. The settlement is being split evenly between the State and local entities.
- B. Alabama's share (state and subdivisions) is \$82,187,066.19 (~1.72%).
- C. The State's ultimate share after splitting with the subdivisions will be **~\$41,093,533.10**.
- D. The State must obtain full participation from all required subdivisions to receive full payment.
- E. The first payment should come before or in early Spring 2024.

VI. Purdue Bankruptcy

- A. The total estimated abatement amount is \$4,500,000,000 (if the Sacklers stay in the bankruptcy case after the current appeal and pay the amount they've agreed to pay). The U.S. Supreme Court has stayed the bankruptcy plan pending its decision on whether to approve the plan later this year. Right now, there's no really solid guess as to when (if) the first payment might be because of the ongoing appeal. The most recent estimate from the multistate's financial advisors was that the first payment wouldn't come until 2026 (before the Supreme Court got involved).
- B. Alabama's estimated share (state and subdivisions) would be \$74,605,571.92 (~1.66%).
- C. Ultimate estimated total to the State after the distribution to the subdivisions would be **~\$37,302,785.96**.

## VII. Mallinckrodt Bankruptcy

- A. Mallinckrodt paid Alabama a total of **\$5,314,234.66** (two separate payments of \$2,441,674.01 and \$2,872,557.65) as part of a prior bankruptcy agreement, with 50% going to local entities.
- B. As the recipient of the Mallinckrodt funds, the Attorney General must submit a report to the Trust identifying the abatement purposes on which Mallinckrodt funds have been spent. This report must identify spending by the State and every entity that receives Mallinckrodt funds from the Office of the Attorney General.

## VIII. Endo Bankruptcy

- A. In 2021, Alabama settled with Endo prior to trial for \$25 million, with \$10 million going to local entities. Endo declared bankruptcy before paying. The State has now joined a settlement to resolve its claims against Endo through the bankruptcy case. As part of that settlement, the entities purchasing Endo's assets will pay public opioid claimants, including the State of Alabama, a lump sum payment to resolve all opioid claims.
- B. The proposed plan is awaiting approval.