

SB 495_OAG CPD_Valentine_FAV.pdf

Uploaded by: Karen Valentine

Position: FAV



CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

ZENITA WICKHAM HURLEY
Chief, Equity, Policy, and Engagement

**STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL**

ANTHONY G. BROWN
Attorney General

WILLIAM D. GRUHN
Division Chief

PETER V. BERNS
General Counsel

CHRISTIAN E. BARRERA
Chief Operating Officer

KAREN VALENTINE
Assistant Attorney General

February 11, 2025

To: The Honorable Pamela Beidle
Chair, Senate Finance Committee

From: Karen Valentine, Assistant Attorney General
Consumer Protection Division

Subject: Senate Bill 495 - Opioid Restitution Fund - Authorized Uses (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports **Senate Bill 495** – Opioid Restitution Fund – Authorized Uses, sponsored by Senator Elliss. **Senate Bill 495** amends § 7-331 of the State Finance and Procurement Article to specifically authorize the use of Opioid Restitution Fund (“ORF”) revenue to cover the operating expenses and personnel costs of the Opioids Enforcement Unit of the Office of the Attorney General (the “Unit”).

The Unit is the State’s primary enforcement authority policing the sale and marketing of prescription opioids and related controlled substances. The Unit pursues investigations and brings enforcement actions to discourage and stop illegal conduct as well as recover funds for remediation of the opioids crisis. The Unit has recovered commitments of \$680 billion in recoveries for the ORF and more is expected. The Unit’s enforcement costs have been comparatively small.

Although § 7-331 authorizes the use of ORF moneys for law enforcement purposes and administrative cost, which would include the Unit’s work, **Senate Bill 495** provides a more tailored authorization for the funding of the specific activities of the Unit. The dedicated source of funding tied to the revenue generated by the Unit enables the General Assembly to make responsible decisions to support the Unit’s activities based on the benefits that the Unit produces, enabling the pursuit of justice against additional targets more quickly through investigations and enforcement actions that may result in injunctive relief and in recoveries for the ORF.

Accordingly, the Division requests that the Senate Finance Committee give **Senate Bill 495** a favorable report.

cc: The Honorable Arthur Ellis
Members, Senate Finance Committee

OAG ORF supplantation SB 495 UNFAV MDDCSAM.pdf

Uploaded by: Joseph Adams, MD

Position: UNF



MDDCSAM is the Maryland state chapter of the American Society of Addiction Medicine whose members are physicians and other health providers who treat people with substance use disorders.

SB 495 Opioid Restitution Fund - Authorized Uses Senate Finance Committee Feb 11, 2025
UNFAVORABLE

Dear Chair Beidle, Vice Chair Hayes, and members of the committee,

We are concerned that SB 495 will supplant funds that would otherwise be used for the Opioids Enforcement Unit, **essentially swapping the source of funds rather than using them to enhance the state's efforts**. Even for worthwhile, opioid-related purposes, avoiding supplanting existing funds with opioid restitution funds (ORF) is a well-established best practice.

"Use the dollars to supplement rather than supplant existing funding"

(Johns Hopkins Bloomberg School of Health) (1)

"...ensuring that opioid settlement funds are used to their fullest potential

while not supplanting existing resources. National Governors Association (2)

The RAND Corporation identified the use settlement funds to replace current funds as a pitfall. (3)

States have restricted or prohibited supplanting state funds with opioid settlement dollars, including CT, KS, MI, NV, NY, VT, CA, MA. (4)

REFERENCES

- (1) 'Principles for the Use of Funds from the Opioid Litigation,' Johns Hopkins Bloomberg School of Health. <https://opioidprinciples.jhsph.edu/>
- (2) Opioid Litigation Settlement Funds Summit, National Governors Association, October 11, 2023 <https://www.nga.org/publications/opioid-litigation-settlement-funds-summit/>
- (3) RAND: 'Strategies for Effectively Allocating Opioid Settlement Funds' June 14, 2021 <https://www.rand.org/health-care/centers/optic/tools/fund-allocation.html>
- (4) Supplantation in the Context of Opioid Settlement Funds. The Network for Public Health Law. Aug 21, 2024 <https://www.networkforphl.org/resources/supplantation-in-the-context-of-opioid-settlement-funds/>

Respectfully,

Joseph A. Adams, MD, FASAM

The Maryland-DC Society of Addiction Medicine

<https://md-dcsam.org>

info@md-dcsam.org

SB0495-FIN_MACo_OPP.pdf

Uploaded by: Sarah Sample

Position: UNF



Senate Bill 495

Opioid Restitution Fund - Authorized Uses

MACo Position: **OPPOSE**

To: Finance Committee

Date: February 11, 2025

From: Sarah Sample

The Maryland Association of Counties (MACo) **OPPOSES** SB 495. This bill would create an avenue for money designated for victims and mitigation efforts through the Opioid Restitution Fund to be redirected to the Office of the Attorney General for attorneys' fees and operating expenses.

Redirecting funds from the opioid recovery effort will undermine life-saving work. The emotional, physical, and financial damage inflicted on communities across Maryland by the opioid crisis is almost incalculable. The remediation efforts, while extensive, may never allow families and individuals to recover what they've lost. The provisions of this bill take funding directly from the victim remediation efforts to cover costs that are the rightful responsibility of the State. In doing so, it serves to compromise the work that thousands of public health officials and local governments are doing statewide.

The Governor and General Assembly are responsible for ensuring State agencies are funded effectively to serve residents. The Office of the Attorney General has been charged with protecting the State and its residents from bad actors since the 1900s. Specific to the opioid crisis, and in the Attorney General's own words, "The opioid epidemic has claimed thousands of innocent lives through addiction and overdoses, has torn families apart, and has devastated communities across this country. This settlement money will help support recovery efforts in Maryland and prevent future loss where we need it most." SB 495 would allow the State to use the restitution funds toward the basic functions of state government, rather than going toward their intended purpose of directly benefiting victims.

Opioid remediation efforts require substantial funding at a time when the State is struggling to cover the costs of existing ambitions and commitments. Local detention centers are already suffering consequences of the State's shortcoming. Local facilities have been covering millions of dollars in opioid-related costs that are the rightful responsibility of the State for years, with no meaningful remuneration. Legislation to finally remedy this unfair circumstance and properly harness the State's opioid funds to do so is being considered this session. **However, the consequences of SB 495 would only extend that injustice onto victims by removing some of their dedicated funding.**

Accordingly, MACo urges the Committee to give SB 495 an **UNFAVORABLE** report and preserve its commitment to opioid mitigation efforts as originally established through these targeted funds.

SB495 ORF Authorized Uses - Hopkins - LOI.pdf

Uploaded by: Annie Coble

Position: INFO

TO: The Honorable Pamela Beidle, Chair
Senate Finance Committee

SB495
Letter of Information

FROM: Annie Coble
Assistant Director, Maryland Government Affairs

DATE: February 11, 2025

RE: SB495 OPIOID RESTITUTION FUND – AUTHORIZED USES

Johns Hopkins would like to provide information on SB495 Opioid Restitution Fund – Authorized Uses. This bill expands the allowable uses for the Opioid Restitution Fund to include the operational costs of the Opioid Enforcement Unit of the Attorney General Office. This Unit is responsible for collecting funds from lawsuits and master settlement agreements associated with the opioid epidemic.

Maryland’s Opioid Restitution Fund was established in 2019 with the goal of using funds to help support, treat and prevent opioid addiction for all Marylanders. Johns Hopkins has been a partner in Maryland’s fight against the opioid epidemic and appreciates all the work that has been put into reducing overdose rates. In fact, on February 4, 2025, it was reported that Maryland’s overdose rates decreased 28% in calendar year 2023¹.

Johns Hopkins would like to direct the Committee’s attention to *The Principles for the Use of Funds from the Opioid Litigation* (linked [here](#)) created by the Johns Hopkins Bloomberg School of Public Health. The Principles were developed by a coalition of organizations across the spectrum of the substance use field including physicians, addiction medicine specialists, recovery, treatment, and harm reduction. The five principles that were developed are: 1. Spend the money to save lives; 2. Use evidence to guide spending; 3. Invest in youth prevention. 4. Focus on racial equity and 5. Develop a fair and transparent process for deciding where to spend the funding. These principles are an important tool to ensure proper spending and allocation of litigation funds.

Johns Hopkins would encourage the Committee to consider these principles when making any changes to the allowable uses of the Opioid Restitution Fund.

¹ <https://www.cbsnews.com/baltimore/news/opioid-fatal-overdose-decline-maryland/>