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March 10, 2026

TO: The Honorable Heather Bagnall
Chair, Health Committee

FROM: Tiffany Clark
Director, Legislative Affairs, Office of the Attorney General

RE: House Bill 1162 - Correctional Services – Medication-Assisted Treatment
Funding (Letter of Information)

The Office of the Attorney General (OAG) respectfully submits this letter to provide information to the Committee regarding House Bill 1162 - Correctional Services – Medication-Assisted Treatment Funding. HB 1162 requires the Special Secretary of Overdose Response to provide each county with annual funding equal to the full costs incurred for the implementation of a medication-assisted treatment (MAT) program in local detention centers, funded primarily through the Opioid Restitution Fund (ORF).

As the Committee considers this legislation, we want to ensure you have complete information about the existing legal framework governing the ORF, OAG's role in administering opioid settlement funds, and certain considerations raised by the bill as drafted.

The ORF is also the source of significant community-based opioid abatement programming across the State. The Attorney General is additionally responsible under § 7-331(h)(3) of the State Finance and Procurement for identifying and designating the controlling version of the underlying settlement agreements that govern permissible uses of ORF funds.

Settlement Agreement Compliance

This bill letter is a statement of the Office of Attorney General's policy position on the referenced pending legislation. For a legal or constitutional analysis of the bill, Members of the House and Senate should consult with the Counsel to the General Assembly, Sandy Brantley. She can be reached at 410-946-5600 or sbrantley@oag.state.md.us.

The ORF is funded by opioid litigation settlements that carry legally binding restrictions on permissible uses of those funds. The bill would expand authorized uses of the ORF to include MAT program reimbursements to counties, but the bill's language could be read more explicitly to limit reimbursements to costs that are allowable under the terms of the governing settlement agreements. As currently drafted, counties may submit reimbursement requests for costs that fall outside those allowable uses, which would require MOOR and OAG to conduct nuanced, case-by-case analysis of each county's expenditures against the settlement terms.

Fiscal Sustainability of the ORF

Under the State-subdivision agreement, counties already receive approximately 70% of opioid settlement proceeds (55% in direct disbursements and an additional share through targeted abatement grants) with the State retaining roughly 15%. The bill, which requires reimbursement of the full costs of county MAT programs from the State's share of the ORF with only a single grant application as a prerequisite, *could* result in the State's portion of the ORF being substantially depleted within two to four years. This could impact the continued funding of community-based opioid treatment and harm reduction programs that currently serve populations with limited access to care outside of correctional settings.

We appreciate the Committee's work on this issue and remain available to provide additional information or technical assistance as this legislation advances.

Cc: Members of the Committee