

Secondary Manufacturer Opioid Settlements: Summary for Tennessee Municipalities

Tennessee has joined a broad coalition of states and local political subdivisions in reaching a nationwide settlement with eight additional manufacturers. If all eight “secondary manufacturer” settlements are fully adopted nationally, the maximum payments to Tennessee and its qualifying local governments would be more than \$19.4 million. Most states have joined the settlement, but for the agreement to become effective, a critical mass of subdivisions must sign onto the settlements by October 8, 2025.

- The settlements have the same basic structure as the eight prior opioid settlements that all counties and all municipalities eligible to receive payments joined in 2021, 2023, and 2024. The joinder process will also be similar to those settlements, with subdivision sign-on being coordinated by Rubris, which communicates with subdivisions via email as the “Implementation Administrator.” The administrator will send participation forms to join the settlements. At that time, subdivisions will also be asked to approve Amendment 7 to the Tennessee State-Subdivision Opioid Abatement Agreement. An explanation of the amendment can be found on the Attorney General website.
- The allocation and use of funds from these settlements are controlled by the settlement agreements, statutory provisions, and the State-Subdivision Agreement. Under the agreement, certain municipalities are eligible to receive direct settlement payments in addition to benefiting from programs funded by their counties and the independent Tennessee Opioid Abatement Council. The new settlements use the same Exhibit G direct payment list being used for the J&J/Janssen agreement and other previous settlements. Please note that not all municipalities are eligible for direct payments, even if they are being asked to support the settlement by participating.
- Maximum payments are dependent on all settlement incentives being reached. Earlier this year, the opioid settlement statutes were amended to address some of the secondary manufacturer settlements in the same manner as the earlier settlements. The amended statutes allow for the release of all state and subdivision claims against those companies if the settlements become effective. However, because agreements were not yet finalized, the statutory amendments did not include the Alvogen, Apotex, and Zydus agreements, which means it is vital for all subdivisions to submit their participation forms by the deadline..
- If maximum payments are earned, up to \$2.89 million of the settlement funds would be paid directly to Tennessee counties and municipalities from the Subdivision Fund. If maximum payments are earned, up to \$13.5 million of the settlement funds would be paid to the Tennessee Opioid Abatement Fund and dedicated to future opioid abatement. Pursuant to the legislation, 35% of these funds—approximately \$4.7 million—would be allocated to counties.
- It is vital that subdivisions join the settlement before the **October 8, 2025 deadline**. Not only does a municipality’s joinder help reach the critical mass of subdivision participation needed for the settlement to become effective, but it also makes the subdivision eligible for its maximum payments. Joinder by the deadline protects against the risk of missing an initial payment or delaying statewide payments.
- The settlement agreement, the Tennessee State-Subdivision Agreement, and additional information can be found on the Attorney General website: <https://www.tn.gov/attorneygeneral/working-for-tennessee/filings-of-interest/opioids.html>. Information on the joinder process and additional materials about the settlements can be found on the national settlement website: <https://nationalopioidsettlement.com>.