

Meeting Minutes: Opioid Epidemic Response Advisory Council (OERAC) Meeting

Date and time of meeting: July 16, 2021 from 8:30am to 12:30pm

Meeting Location: Microsoft Teams meeting

Participants: Nicole Anderson; Dave Baker; Heather Bell; Joe Clubb; Chris Eaton; Dana Farley, Sarah Grosshuesch; Alicia House; Katrina Howard; Tiffany Irvin; Erin Koegel; Gertrude Matemba-Mutasa; Toni Napier; Kathryn Nevins; Darin Prescott; Anne Pylkas; Jolene Rebertus; Judge D. Korey Wahwassuck. Minnesota Management and Budget (MMB): Kristin van Amber Minnesota Department of Human Services (DHS): Heron Abegaze; Boyd Brown; Chelsea Magadance; Sam Nord; Johanna Schels

Meeting Goals

Meeting goals per the agenda, dated 16-July-2021, and emailed to OERAC members by Boyd Brown on 14-July-2021.

1. Shape the Council's priority funding areas by hearing what communities are experiencing and what they need.
2. Understand the source, timing, and dollar amounts being funneled to the OERAC account.
3. Understand and provide input to various updates.

Ground Rules, Welcome, Meeting Goals, Agenda

Kristin van Amber - 8:30 to 8:45

Kristin van Amber reviews the ground rules, How to participate, and welcomes guests. She explains the procedure for the public comment period to guests. She also explains the meeting goals and reviews the agenda.

OERAC members introduce themselves.

Please refer to the PowerPoint presentation, Opioid Epidemic Advisory Council, July 16th, 2021

The Office of the Minnesota Attorney General Keith Ellison

Opioid Update, July 16, 2021 Eric Maloney 8:45 to 9:00

Eric Maloney, Assistant Attorney General, presents an opioid update.

Bankruptcy of Mallinckrodt Pharmaceuticals

Background: Mallinckrodt Pharmaceuticals (“Mallinckrodt”) is an American-Irish manufacturer of specialty pharmaceuticals, generic drugs, and imaging agents. In 2017, it generated 90% of its sales from the U.S. healthcare system. Mallinckrodt is headquartered in Ireland for tax purposes; their operational headquarters are in the United States.

Mallinckrodt is one of the largest opioid manufacturers in the United States and filed for Chapter 11 bankruptcy on 12-October-2020 in the District of Delaware, [Case 20-12522](#).

The negotiated settlement with states requires Mallinckrodt fund a \$1.6 billion opioid trust, which is subject to court approval at this time.

The Office of the Minnesota Attorney General is leading the effort on Mallinckrodt’s full document disclosure. Mallinckrodt turned over documents to the Office of the Minnesota Attorney General on 12-July-2021. These documents will be published by the University of California San Francisco and Johns Hopkins University: [Opioid Industry Documents Archive](#)

Bankruptcy of Purdue Pharma

Background: Purdue Pharma L.P. is headquartered in Stamford, Connecticut and owned by the Sackler family. Purdue Pharma L.P. introduced OxyContin, a narcotic painkiller, in the 1990s. Purdue Pharma L.P. and 23 affiliated debtors filed for Chapter 11 bankruptcy in the United States Bankruptcy Court for the Southern District of New York on 15-September-2019 and 16-September-2019, [Case 19-23649](#).

Prior to filing bankruptcy, Purdue Pharma L.P. offered “company assets, plus \$3 billion to be paid by the Sackler family. Minnesota and 24 other states refused the offer.

On 8-July-2021, a settlement was announced, which is subject to voting and confirmation at this time.

The Sackler family will pay states \$4.325 billion over 10 years. Minnesota’s share is approx. \$56 million. Minnesota will receive a share of Purdue’s assets through 2025; Minnesota’s share of national payments is about 1.3%.

In addition, the company will disclose unprivileged and privileged documents within the frame of a robust document disclosure agreement. “We are going after privileged documents the public would want to see.” (Eric Mahoney)

Purdue Pharma L.P. Bankruptcy Default Abatement Framework Concepts:

- Statewide and regional spending model
- Block grants to large political subdivisions
- Funds must be used for abatement within a) approved uses and b) monitoring requirements.
- Gives flexibility for states to craft state-specific abatement plan alongside local governments.
- Importance of input and representation from local governments

Note: States can agree to an alternative framework via agreement between states and subdivision.

The Association of Minnesota Counties asked for a listening session, which will be held on 26-July-2021. The Office of the Minnesota Attorney General invites OERAC members to attend and “educate counties about the Council”. (Eric Mahoney)

The Intrastate Allocation Agreement will be discussed at the listening session as well.

Note: The full participation by cities and counties will maximize the funds available for abatement. In plain English, the State of Minnesota will get more money if more cities and counties come together and join in this effort. The Office of the Minnesota Attorney General “wants to work directly with the local officials in all subdivisions to come to an agreement”. (See PowerPoint presentation, Minnesota Attorney General Opioid Update, July 16, 20210)

OERAC Fund Update

Cody Wilberg; Elyse Bailey - 9:00am - 9:10am

Settlement money from Purdue Pharma L.P. will be transferred into a fund.

[Minnesota Statute 16A. 151 Proceeds of Litigation or Settlement](#) specifies how funds are distributed when opioid-related settlements are received by the state.

The law states that opioid settlement funds go into a separate account (rather than going directly into the General Fund). From there, the funds are not available to the Council to spend until the law’s sunset provisions are met, which are when the fees collected and settlement funds reach at least \$250 million and it is 7/1/24 or later. Once that sunset provision is met, fees are reduced/repealed and \$20.94 million of the settlement account is transferred each year to the Opioid response account for uses described in the law (direct appropriations, child protection, and the OERAC). Absent any future law change, there is no ability to access the funds quicker or in different amounts than as stated in this statute.

2020-2021 Session: Opioid Legislation Status

Chelsea Magadance - 9:10am - 9:20am

For the Opioid legislation status of the 2020-2021 legislative session, please refer to the PowerPoint presentation, OERAC Legislative Update, provided by Chelsea Magadance, Legislative Coordinator, Behavioral Health Division, Minnesota Department of Human Services.

Some highlights:

On 29-June-2021, Governor Walz signed:

Chapter 7, SF 37: Health and Human Services Omnibus

“The bill provides an historic investment in health and human services in Minnesota, including extended postpartum coverage under Medical Assistance; expanded access to child care; expanded lead risk assessment; tobacco and vaping prevention; better preventive care under Medical Assistance; and new benefits for children with severe asthma under Medical Assistance.”

For OERAC grant changes, see Article 11, Section 14 of Chapter 7, SF 37: Health and Human Services Omnibus

- Modifies the submission for the report on the Council’s proposed grants from the upcoming fiscal year to the upcoming calendar year.
- Changes the report due date from March 1 to December 1.
- Clarifies that the Council shall determine grant awards and funding amounts (for the funding appropriated to DHS to award grants as specified by OERAC).
- Clarifies that DHS must award and administer grants in compliance with State of MN Office of Grants Management Policy (under section 16B.97).
- Increases allowable grant amount percentage for administration from 3% to 10%.

For Opiate Epidemic Response fund modification, see Article 11, Section 15 of Chapter 7, SF 37: Health and Human Services Omnibus

Specifies that grant funds and funds for county and tribal social services agencies from the opiate epidemic response fund will be distributed on a calendar year basis, beginning in fiscal year 2022.

For OERAC membership changes, see Article 11, Section 48 of Chapter 7, SF 37: Health and Human Services Omnibus

Specifies the date on which the terms for the initial members of the advisory council end; initial terms for OERAC members end on September 30, 2022 or September 30, 2023.

For modification to Project ECHO grant, see Article 16, Section 14 of Chapter 7, SF 37: Health and Human Services Omnibus

Instead of awarding a \$200,000 grant for Project ECHO to CHI St. Gabriel’s as instructed under 2019 legislation, DHS must instead issue a competitive request for proposals for another opioid-focused Project ECHO program for the \$200,000 grant in fiscal years 2022, 2023, and 2024.

For Opiate Epidemic Response grant allocation, see Article 11, Section 46 of Chapter 7, SF 37: Health and Human Services Omnibus

- Requires DHS to allocate funding from the substance abuse prevention and treatment block grant for grants to be awarded according to the recommendations of the Opiate Epidemic Response Advisory Council under section 256.042.
- Requires DHS to include information on the grants awarded under this section in the annual report under section 256.042, subd. 5, paragraph a.

For settlement, sunset, see Article 5, Section 4 of Chapter 7, SF 37: Health and Human Services Omnibus

Provides that any funds received by the state as a result of a settlement against a consulting firm working for an opioid manufacturer or wholesaler shall be counted towards the \$250 million amount that triggers the sunset of the opiate licensing fees and the opiate registration fee. (This is done by removing language that applied the provision only to settlements against manufacturers and wholesalers.)

For provisions related to settlements and opiate product registration fees, see Article 5, Section 1 of Chapter 7, SF 37: Health and Human Services Omnibus

OERAC members ask: “What happened to the “buy-in bill” legislation?”

Panel Discussion

Kristin van Amber - 9:20am - 10:00am

40 minutes/panel with a 10 minute break after first presentation

Kristin van Amber prepared three questions for the panel discussion:

- Please give us some insight to what you are experiencing.
 - What are your community’s biggest barriers or struggles?
 - What would you do to make the biggest difference in the opioid epidemic?
1. Youth and Homelessness Panel (9:20am - 10:00am)
 - Break (10:00am - 10:10am)
 2. African American Panel (10:10am - 10:50am)
 3. Handoffs of Opioid Overdose Panel (10:50am - 11:30am)

There are common barriers panelists have been experiencing:

- Lack of adequate housing and possible discontinuation of funding for housing. Creative approaches to solve the housing crisis are needed.
- SUD services and mental health services that are not responsive to the linguistic needs of the community. For example, the East African Community has been experiencing disparities because of language barrier and cultural incompetence by community providers.
- The East African Community suffers because of opioid use and overdosing; all age groups are affected.

Block Grants/ \$2.7 Million

Heron Abegaze - 11:30am - 12:00pm

Heron Abegaze of the Behavioral Health Division, Minnesota Department of Human Services, presents:

Community Mental Health Services and Substance Abuse Prevention and Treatment Block Grant Overview

The basic information about the Substance Abuse Prevention and Treatment Block Grant (SABG) and the Community Mental Health Services Block Grant (MHBG) from the Substance Abuse and Mental Health Services Administration (SAMHSA) is reviewed. For example: SABG and MHBG funding and how it can be used; federal grant application and reporting timelines; the WebBGAS portal and how to log in; SABG and MHBG websites and resources.

The SABG and the MHBG provide funds and technical assistance to all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, six Pacific jurisdictions, and one tribal entity.

The SABG targets the following populations and service areas:

- Pregnant women with substance use disorders and co-occurring conditions, such as mental health conditions; and women with substance use disorder and mental health conditions who are parenting children.
- Intravenous drug users
- Tuberculosis services
- Early intervention services for HIV/AIDS
- Primary prevention services

The MHBG targets the following populations:

- Adults with serious mental illnesses -Includes persons age 18 and older who have a diagnosable behavioral, mental, or emotional condition—as defined by the Psychiatric Association’s Diagnostic and Statistical Manual (DSM) of Mental Disorders.
- Children with serious emotional disturbances -Includes persons up to age 18 who have a diagnosable behavioral, mental, or emotional issue (as defined by the DSM).

Note: The amount of \$5.4 million will go to the OERAC. How should these funds be used? OERAC needs to discuss this. The Behavioral Health Division (BHD) will send the proposal for the COVID-19 Response funding to OERAC members. BHD and OERAC will discuss what the role of OERAC is.

To enlarge the screenshot, click on it, hover the mouse over a corner, click and hold, and then expand.

SABG and MHBG Funding

Substance Abuse Block Grant (SABG)

Name	Amount Awarded	Spending Period
Regular SABG Award	\$24,104,330 (FY 2021)	Ongoing
SABG Technical Assistance Supplemental Funding	\$396,365	10/1/2020 – 9/30/2021
SABG Consolidated Appropriations Act (Coronavirus Response and Relief Supplement) Funding	\$22,591,036	3/15/2021 – 3/14/2023
SABG American Rescue Plan Act Funding	\$19,510,440	9/1/2021 – 9/30/2025

Mental Health Block Grant (MHBG)

Name	Amount Awarded	Spending Period
Regular MHBG Award	\$10,892,453 (FY 2021)	Ongoing
MHBG Technical Assistance Supplemental Funding	\$181,052.50	10/1/2020 – 9/30/2021
MHBG Consolidated Appropriations Act (Coronavirus Response and Relief Supplement) Funding	\$12,518,067	3/15/2021 – 3/14/2023
MHBG American Rescue Plan Act Funding	\$21,622,115	9/1/2021 – 9/30/2025

MHBG and SABG Timeline

2019

- 2020-2021 Mental Health and Substance Abuse Combined Block Grant application, due 9/1/2019
- Provide feedback for 2020 Mental Health Block Grant / Substance Abuse Annual Behavioral Health Report - 2nd year targets (from 2018 - 19 application), due 12/2/2019

2021

- 2022-2023 Mental Health and Substance Abuse Combined Block Grant application, due 9/1/2021
- Provide feedback for 2022 Mental Health/Substance Abuse Block Grant Annual Behavioral Health Report - 2nd year targets (from 2020 -21 application), due 12/1/2021

2020

- Mini Mental Health and Substance Abuse Combined Block Grant application, due 9/1/2020
- Provide feedback for 2021 Mental Health Block Grant/Substance Abuse Block Grant Annual Behavioral Health Report - 1st year targets (from 2020 - 21 application), due 12/1/2020

OERAC Health Equity Subcommittee Update

Boyd Brown (for Tara Holt) 12:00 to 12:05

The Grants and Contracts Management section of the Behavioral Health Division, Minnesota Department of Human Services, has been working on an equity tool that can be used as part of the Request for Proposal (RFP) evaluation and ranking process. The goal is to ensure the equitable distribution of funds and transparency of the RFP process.

Public Comment

Kristin Van; Amber - 12:05pm - 12:25pm

Banyan Research Center, Mohamed Shuavb (did not participate)

Guest Max Nigigoons Bowman felt that OERAC members did not respond properly when he asked them whether there will be American Indian representation on the OERAC; this question was raised in the OERAC meeting in June 2021. Mr. Bowman emphasizes again that American Indian representation is needed on OERAC.

Pursuant to Minnesota statute, the OERAC will make recommendations to the Legislature in fall of 2021 with regard to the makeup of the OERAC and required changes.

Next Steps and Meeting Wrap-up

- Kristin van
- Amber - 12:25pm - 12:30pm
- June Survey Results
- When would you be able and/or ready to resume in person meetings?
- 8 of 12 OERAC members who responded to the survey held in June selected August 2021.
- Assignment review – Who is doing what?
- The next OERAC meeting will take place on 20-August-2021.
- The Meeting adjourns at 12:30 PM.