

Minutes

**Virginia Opioid Abatement Authority**

**Board of Directors meeting**

October 24, 2022

5:30 pm

All Virtual Format

Conducted via Zoom Webinar

**NOTE: the video of the webinar can be viewed at**

<https://youtu.be/HCNBjw8RiLk>

I) Call to Order and Establish Quorum

Senator Pillion called the meeting to order and noted the meeting was being conducted in a virtual format as allowed by the Code of Virginia. It was established that a quorum was present. The following members were in attendance: Chairman Senator Todd Pillion, Vice Chair Dr. Sarah Melton, Delegate Jason Ballard, Supervisor James Holland, Mr. Mike Tillem, Mr. Timothy Spencer, Sheriff Joe Baron, Ms. Sharon Buckman, Mr. Daryl Washington, Dr. James Thompson, and Mr. Craig Markva (designee of Secretary John Little).

II) Approval of September 7, 2022 Minutes

A motion was made and properly seconded to approve the minutes from the September 7, 2022, meeting. There was no discussion and no changes were made. Motion passed unanimously.

III) Welcome and comments

Chairman Pillion welcomed all in attendance recognized new OAA Board Member Mike Tillem.

IV) Update from the Executive Director

Mr. McDowell presented a PowerPoint presentation which is attached to these minutes.

- Mr. McDowell reviewed status of settlements received to date in the Commonwealth of Virginia.
- Mr. McDowell introduced Mr. Adam Rosatelli, the new Director of Finance for the Opioid Abatement Authority. He noted that Charlie Lintecum will start with the OAA on Oct. 25 as Director of Operations, and Ms. Cara Moiran will be starting with the OAA on November 10, 2022 in the role of Administrative Staff Specialist. A new office lease has been

signed and OAA expects to move into that office within a few days.

- Mr. McDowell noted that the Grants Committee has not yet been formed and that he will be working with Chairman Pillion to get that group in place.
- Mr. McDowell introduced Ms. Hala Najm, a Fulbright Scholar who is participating in the U.S. State Department's Humphries Fellowship at VCU, and who has selected the OAA as her internship experience as required in the fellowship program.
- Mr. McDowell reviewed recent outreach efforts of the OAA, including several speaking engagements at statewide conferences, webinars, and other events. OAA has made introductions with statewide opioid abatement / opioid settlement offices in other states including Colorado, Tennessee, and Kentucky.
- There was a discussion of upcoming events, which includes a Board meeting on December 1, 2022, in Roanoke, and a series of "listening sessions" around the Commonwealth.
- Mr. McDowell discussed plans to conduct a workshop for localities to learn the details of the grant application process; this event is scheduled for January 19-20 in Richmond. This is also the date that the OAA will begin receiving applications and proposals for funds from cities and counties.

V) New Business

- Mr. McDowell reviewed a proposed new policy entitled, "policy to incentivize cities and counties to use and report direct distributions from opioid settlements by meeting the OAA "gold standard."
- As background to explain the rationale for the proposed policy, Mr. McDowell reviewed the statutory structure and requirements for the distributions of OAA funds to cities, counties, and state agencies. He described the OAA's requirements as comprising a "gold standard" and best practice in terms of the uses and limitations imposed on those funds. By comparison, the funds that are provided to cities and counties directly from the settling companies lack clearly defined limitations and requirements. The proposed policy would incentivize the cities and counties to voluntarily apply the OAA's "gold standards" to funds received through direct distributions from settling companies. In return the OAA would increase the locality's OAA reserved funding by 25 percent.
- Mr. Spencer asked whether the OAA would build a "toolkit" of pre-approved abatement programs. Mr. McDowell responded that while the OAA may not be offering endorsements of specific programs or services, that the OAA could accept certain types of independent accreditations and certifications of services or programs as prima facie evidence that the program or

service has met the intent of the statute. This in turn could expedite the process of making awards in those cases.

- Mr. Holland asked whether the OAA has the authority to incentivize localities in the manner recommended in the policy. Mr. Schliessmann responded that the Office of the Attorney General has reviewed and believes this policy can be enacted by the OAA.
- Mr. Holland also noted that the expanded reporting requirements this policy would have for participating localities may help the OAA with its own annual reporting requirements. He also noted that it may be necessary to revise the OAA's budget as the Authority continues to implement its policies and programs.
- As no further discussion was offered on the policy, a motion was made and properly seconded to adopt the policy as presented. The motion passed unanimously.

#### VI) Public Comment

Chairman Todd Pillion opened a period of public comment.

- Mr. McDowell explained the method of individuals to provide public comments in the virtual setting.
- No public comments were offered.

#### VII) Adjournment

Chairman Todd Pillion adjourned the meeting at 6:18 pm.

**Virginia Opioid Abatement Authority**

**AGENDA**

October 24, 2022

5:30 pm

Virtual Meeting

<https://zoom.us/j/93762668781>

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|------|--|--------------------------------------|
| I)   | Call to Order and Establish Quorum   | Senator Todd Pillion,<br>Chair       |
| II)  | Approval of Sept 7, 2022 Minutes   | Senator Todd Pillion,<br>Chair       |
| III) | Welcome and Comments   | Senator Todd Pillion,<br>Chair       |
| IV)  | Update from the Executive Director   | Tony McDowell,<br>Executive Director |
| V)   | New Business<br>a. Policy to Incentivize Cities and<br>Counties to Use and Report Direct<br>Distributions from Opioid Settlements<br>By Meeting the OAA "Gold Standard." | Tony McDowell,<br>Executive Director |
| VI)  | Public Comment   | Senator Todd Pillion,<br>Chair       |
| VII) | Adjournment  | Senator Todd Pillion,<br>Chair       |

**DRAFT**

**POLICY TO INCENTIVIZE CITIES AND COUNTIES TO USE AND REPORT DIRECT DISTRIBUTIONS FROM OPIOID SETTLEMENTS BY MEETING THE OAA “GOLD STANDARD”**

The Board of Directors (“Board”) of the Opioid Abatement Authority (“OAA”) is statutorily required to allocate a specific portion of the Opioid Abatement Fund (“Fund”) to each participating city and county (*see* Virginia Code § 2.2-2374(D)(2)). For purposes of this policy, this allocation will be referred to as the “OAA Distribution.”

In turn, each participating city and county has statutory obligations attached to the receipt of OAA Distributions (*see* Virginia Code § 2.2-2370(A)). These obligations are summarized below. For purposes of this policy these statutory obligations will be referred to collectively as the OAA “Gold Standard.”

- Participating cities and counties will only utilize OAA Distributions to fund efforts designed to treat, prevent, or reduce opioid use disorder or the misuse of opioids through evidence-based or evidence-informed methods, programs, or strategies;
- Participating cities and counties shall not supplant funding of an existing program nor collect indirect costs; and
- Participating cities and counties shall provide the Authority with information on implementation of said methods, programs, or strategies and allow such monitoring and review as may be required by the Authority.
- Participating cities and counties must agree to certain base terms and conditions established by the OAA Board of Directors before receiving any OAA Distributions.

In addition to receiving the OAA Distribution, each participating city and county will also receive distributions directly from the settling companies. For purposes of this policy, this allocation will be referred to as the “Direct Distribution.”

The use and reporting requirements of the Direct Distribution are outlined in the nationally-negotiated settlement agreements and not through State statute. These use and reporting requirements are not as stringent nor as clear as the OAA’s Gold Standard, and in fact the OAA Gold Standard will always meet or exceed the requirements of the settlement agreements.

To encourage participating cities and counties to use all of their Direct Distribution funds fully for remediation and abatement, and to encourage participating cities and counties to report the use of their Direct Distribution funds to the OAA for the purpose of ensuring statewide adherence to the various settlement agreements, the Board hereby offers a voluntary financial incentive to each participating city and county. For each fiscal year that a participating city or county agrees to use and report their Direct Distribution funds according to the same standards they are required to use

and report their OAA Distribution funds (i.e., the Gold Standard), the Board agrees to increase that city or county's OAA Distribution by 25% above the base amount for that same fiscal year.

As noted above, each year that a city or county applies for any OAA Distribution, it must first agree to a set of base terms and conditions set by the OAA Board. In addition to those base terms and conditions, there will also be an additional set of extra terms and conditions that only apply to cities and counties that elect to participate in the incentive. These extra terms and conditions will specify the requirements for participating in the incentive. In short, each city or county will communicate its decision as to whether it will participate in the incentive by completing and submitting this additional set of terms and conditions.

Date of Board Approval: \_\_\_\_\_

# OPIOID ABATEMENT AUTHORITY

## BOARD OF DIRECTORS MEETING

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OCTOBER 24, 2022

UPDATE FROM THE EXECUTIVE DIRECTOR

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## UPDATE ON SETTLEMENTS

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- 2021 Distributor Payments (July) = \$20.5 million
- 2022 Distributor Payments (Sept) = \$23.2 million
- 2022-2025 Janssen "balloon payment" started going out Oct 17 = \$72.8 million

Total received by Virginia in calendar year 2022 = \$116.6 million which includes:

Opioid Abatement Authority:	\$ 60.1 million
Cities and Counties:	\$ 24.3 million
Deficiency Fund:	\$ 8.2 million
Commonwealth:	\$ 23.4 million

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## ADMINISTRATIVE ITEMS

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### Staffing

Adam Rosatelli, Director of Finance (10/10/22)  
Charlie Lintecum, Director of Operations (10/25/22)  
Cara Moisan, Administrative Staff Specialist (11/10/22)

### Office

Executed a 5-year lease at 701 E. Franklin Street, Suite 803. Move-in date is no later than November 1.

### Pending items / Calendar

Establishment of the Grants Committee and schedule of meetings  
Listening sessions  
Board of Directors meetings  
Launch of application process for cities and counties

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Fulbright Scholars involved in VCU's Humphries Fellowship program.

From Left to Right: Olubusayo Akinola (Nigeria), Hala Najm (Lebanon), Tony McDowell, Adam Rosatelli, Basak Unubol (Turkey) Jean Michel Lyamuremye (Rwanda)

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## RECENT EVENTS

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- Collaboration with Virginia Association of CSBs
  - Webinar with their members
  - OAA and VACSBs co-sponsoring statewide listening sessions
- Presentations / Webinars / Podcasts
  - Virginia Sheriff's Association annual conference
  - Virginia Local Government Management Association
  - Virginia Rural Health Association (Podcast)
  - Va Chapter of the American Society of Addiction Medicine
  - Virginia Municipal League
  - Virginia Association of Counties (webinar)
- Media interactions including Cardinal News and Richmond Times Dispatch
- Meetings with opioid settlement administrators from Colorado, Tennessee, and Kentucky

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## UPCOMING EVENTS

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- |                             |   |          |
|-----------------------------|---|----------|
| • Thursday December 1, 2022 | 6:30 pm to 8:45 pm                                  | Roanoke  |
|                             | ➤ Board of Directors meeting (election of officers) |          |
|                             | ➤ Listening Session                                 |          |
| • Saturday December 3, 2022 | 2:00 – 3:30 pm                                      | Fairfax  |
|                             | ➤ Listening Session                                 |          |
| • TBD / January 2023        | Time TBD (Evening)                                  | Virtual  |
|                             | ➤ Listening Session                                 |          |
| • Monday January 30, 2023   | 6:30 – 8:00 pm                                      | Richmond |
|                             | ➤ Listening Session                                 |          |

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## UPCOMING EVENTS

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- February 2023                      Date TBD, 6:30 – 8:00 pm      Hampton
  - Listening Session
  
- Tuesday March 21, 2023              6:30 – 8:45 pm              Charlottesville
  - Board of Directors meeting
  - Listening Session
  
- April, 2023                              Date TBD, 6:30 - 8:00 pm      Wise
  - Listening Session

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## LAUNCH OF THE APPLICATION PROCESS

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- **JANUARY** - Open the process for cities and counties to submit proposals for the use of their reserved local funds
  - ✓ Time this with a one-day kick-off workshop
    - ❖ Morning session to focus on explaining the application process
    - ❖ Afternoon presentations by guest speakers with success stories (education, treatment, housing)
  - ✓ Follow up with a series of webinars
- Awards made on a rolling basis
  
- **MARCH** - Open up the process for regional partnerships and state agency applications

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# OPIOID ABATEMENT AUTHORITY

## PROPOSED INCENTIVE POLICY

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## REVIEW OF OAA DISTRIBUTIONS TO CITIES AND COUNTIES

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- By statute, the OAA will reserve 15% of the Fund for distribution to participating subdivisions (cities and counties)
  - The Settlement Allocation MOU further delineates the percentage that will be reserved for each city/county.
  - The Board may award additional amounts in its discretion.
  
- Statutory requirements of the funds include:
  - Only fund efforts that are conducted / managed by state agency or participating city/county
  - 100% dedicated to abatement
  - No supplanting or indirect costs
  - Must provide OAA with certain kinds of information and allow monitoring

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## PROPOSED POLICY

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## TERMS AND CONDITIONS FOR AWARDS TO CITIES AND COUNTIES WILL NEED TO ADDRESS CERTAIN ITEMS:

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- Agree to use certain forms and/or the OAA software portal for submitting proposals
- Agree to provide certain types of information in support of the proposal
- Payment terms (pay up front versus reimbursement)
- Timeframe for performance (i.e., how long does the city/county have to appropriately spend the funds provided by OAA)
- Identify any specific types of expenses that are not allowable.
- Identify percentages that must be committed to opioid abatement (i.e., training programs, salaries)

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## TERMS AND CONDITIONS (CONT'D)

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- More specifically define and give examples of what would constitute supplanting, what would constitute indirect charges, etc.
- Identify specific financial management requirements such as no co-mingling of funds, use of a separate fund to track the revenue and expenses
- Provide OAA with annual city/county audit results
- Agree to certain spot auditing conducted by OAA
- Specify requirements of the cities/counties to adhere to State procurement requirements

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## TERMS AND CONDITIONS (CONT'D)

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- Specify the frequency for reporting performance measures and outcomes.
- Specify the process for city/county to amend their workplan and budget as needed
- Specify how OAA will handle any areas of non-compliance by the city/county, which could include requiring the city/county to return funds, or become ineligible for future disbursements until compliance has been achieved, etc.
- Specify how any disputes between the city/county and OAA will be addressed, and how city/county may appeal OAA decisions

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## TERMS AND CONDITIONS (CONT'D)

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Will be slightly different:

- Payment terms would be different, since the OAA is not providing these funds
- Time frames for performance may be handled differently
- Process for responding to non-performance