

## *California's Opioid Settlements*

The United States is in the **midst of a crisis** on its streets and in its communities as **overdoses, homelessness, and disorder reach record levels**. Yet settlement proceeds secured by the State of California present an **unprecedented opportunity for generational investment** in treatment capacity for chronic substance abuse (CSA) and severe mental illness (SMI).

California is set to receive **nearly \$5 billion** (\$4,722,555,024.64) in opioid settlement funds—equal to nearly one-fourth of the state's share of the monumental Tobacco Master Settlement Agreement.<sup>1</sup> With twenty-one separate settlements and with payments spread out over decades, the funds are **at risk of being squandered** through ad-hoc allocations to **diffuse and disorganized efforts**.

The state must ensure that this opportunity for treatment investment does not go underutilized. **California can make targeted investments in treatment capacity** that will **honor those who suffered** in the opioid crisis and **ensure accessible care** for decades to come.

California chose to allocate 15 percent of settlement proceeds (\$848,585,009.58) to the state, 15 percent to subdivisions, and 70 percent to its abatement fund, but importantly is allocating all of its abatement fund to participating subdivisions, making the functional split 15/85.<sup>2</sup> The legislature is tasked with allocating the state's share of funds.<sup>3</sup> This leaves the state with a small fraction of total funds to make high-impact investments that will benefit the entire state. **The legislature should enact an allocation statute that supersedes the many State-Subdivision Agreements and reserve a greater portion of funds for allocation by the legislature.**

Moreover, **reporting is lacking**, and the latest transparency report available is for Fiscal Year 2022-2023. What reporting is available is concerning, as half of all subdivision spending was allocated to harm reduction priorities.<sup>4</sup> **The state must ensure comprehensive reports are published to allow citizens to exercise sufficient oversight on the use of funds.**

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<sup>1</sup> Except the McKinsey and Publicis settlements, of which the state controls 100 percent of funds.

The state must rein in the misallocation of these funds and prioritize investments in comprehensive treatment networks. **Three priorities** (Certified Community Behavioral Health Clinics, secure psychiatric beds, and community SMI/SUD response) **will ensure these funds have the largest impact** on the state.

## Certified Community Behavioral Health Clinics (CCBHCs)

CCBHCs are designed to ensure access to coordinated comprehensive behavioral health care and are stably-funded and supported by all recent presidential administrations. CCBHCs are a key response to the crisis and can augment other services such as police crisis response teams, homelessness outreach and services, and outpatient psychiatric commitment services.

- **Fund the development and expansion of CCBHCs.**
  - o Expand the CCBHC footprint with an emphasis on a team-based approach to co-occurring disorders.
  - o Create a stepped approach to SMI/CSA treatment with services provided by the CCBHCs.
  - o Require CCBHCs to offer specific care pathways to meet the needs of individuals with co-occurring disorders.

## State Psychiatric Hospitals

Inpatient beds in secure facilities are critical for serving the highest-acuity psychiatric patients. California currently has only **5.2 state psychiatric beds** per 100,000 people available for civil (i.e., non-criminal) patients.<sup>5-6</sup> Treatment Advocacy Center recommends a rate of 30-60 beds per 100,000. Even counting non-public secure psychiatric beds, California still falls short of the minimum.<sup>7</sup> Secure beds are costly, but a necessary expenditure to protect patients with severe psychiatric disorders and the public at large.

- **Fund the expansion of civil psychiatric beds.**
  - o Invest in expanding state hospital capacity.
  - o Move forensic (criminal) commitments to a jail-based restoration facility.
  - o Apply for one of several Section 1115(a) waivers to expand Medicaid reimbursement for IMDs.

## Inpatient Stabilization Centers and Mobile Crisis Teams

Emergency departments (EDs) are supposed to be a last-resort for times of true emergencies, but are increasingly used for all types of immediate-need medical care, especially true for low- to medium-acuity mental health crises. In order for the other two

priorities to have the largest impact, there must be an immediate triage of low-acuity patients from higher-need patients, or else these investments will be drowned out, overburdened, and underutilized by those that need them most, just like emergency departments.

- **Fund community-based mental health response resources.**
  - Build out community-based recovery centers, including voluntary short-term respite housing, especially for young adults.
  - Leverage CCBHC resources to develop comprehensive mobile crisis response teams in conjunction with police crisis intervention teams (CIT).
  - Support integration with crisis networks such as the Lifeline to support those in need or provide guidance for concerned loved ones.

## CALIFORNIA

[Download all California opioid settlement documents](#)

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STATE-CONTROLLED FUNDS	ALL FUNDS	2025 EOY FUNDS RECEIVED - STATE	2025 EOY FUNDS RECEIVED - ALL	Av. Receipt (All Funds) / Yr (*20)
\$848,585,009.58	\$4,722,555,024.64	\$352,083,129.14	\$1,623,356,915.07	\$236,127,751.23

### 2021 National Opioid Settlement

*California v. Distributors*

- [Stipulated Judgment](#)
  - [Exhibit A "Distributor Settlement Agreement"](#)
  - [Exhibit B "California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Distributor Settlement"](#)
- The People of the State of California v. AmerisourceBergen Corporation, et al., Superior Court of the State of California for the County of Alameda, Case No. 22CV009543

*California v. Janssen*

- [Stipulated Judgment](#)
  - [Exhibit A "Janssen Settlement Agreement"](#)
  - [Exhibit B "California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Janssen Settlement"](#)
- The People of the State of California v. Johnson & Johnson, et al., Superior Court of the State of California for the County of Alameda, Case No. 22CV010272

### 2022 National Opioid Settlement

*California v. CVS*

- [Stipulated Judgment](#)
  - Exhibit A "agreement dated as of December 9 2022" [p. 10]
  - Exhibit B "California Incentive Modification Agreement" [p. 722]
  - Exhibit C "[California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – CVS Settlement](#)" [p. 726]
  - Exhibit D "Attorney General's Release of Opioid-Related Claims Pursuant to the CVS Settlement Agreement [p. 756]
- The People of the State of California v. CVS Pharmacy, Inc., Superior Court of the State of California for the County of Sacramento, Case No. 23CV013545

*California v. Walgreens*

- [Stipulated Judgment](#)
  - Exhibit A “agreement dated as of December 9 2022” [p. 9]
  - Exhibit B “[California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walgreens Settlement](#)” [p. 834]
  - Exhibit C “Attorney General’s Release of Opioid-Related Claims Pursuant to the Walgreens Settlement Agreement” [p. 864]
- The People of the State of California v. Walgreen Co., Superior Court of the State of California for the County of Sacramento, Case No. 23CV013529

*California v. Walmart*

- [Stipulated Judgment](#)
  - Exhibit A “agreement dated as of November 14 2022” [p. 8]
  - Exhibit B “[California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Walmart Settlement](#)” [p. 591]
  - Exhibit C “Attorney General’s Release of Opioid-Related Claims Pursuant to the Walmart Settlement Agreement” [p. 621]
- The People of the State of California v. Walmart Inc., Superior Court of the State of California for the County of Sacramento, Case No. 23CV013542

*California v. Allergan*

- [Stipulated Judgment](#)
  - [Exhibit A “Allergan Public Global Opioid Settlement Agreement”](#)
  - [Exhibit B “California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Allergan Settlement”](#)
- The People of the State of California v. Allergan Limited, et al., Superior Court of the State of California for the County of Alameda, Case No. 23CV046930

*California v. Teva*

- [Stipulated Judgment](#)
  - [Exhibit A “Teva Global Opioid Settlement Agreement”](#)
  - [Exhibit B “California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Teva Settlement”](#)
- The People of the State of California v. Allergan Limited, et al., Superior Court of the State of California for the County of Alameda, Case No. 23CV046930

## Other Coalition Opioid Settlements

### *California v. Kroger*

- [Stipulated Judgment](#)
  - Exhibit A “agreement dated as of March 22 2024” [p. 8]
  - Exhibit B “California Prescription Red Flag Modification Agreement” [p. 520]
  - Exhibit C “California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Kroger Settlement” [p. 523]
- [Injunctive Relief Modifications](#)
- [California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds – Kroger Settlement](#)
- The People of the State of California v. The Kroger Co., Superior Court of the State of California for the County of Los Angeles, Case No. 25STCV00376

### *California v. McKinsey*

- [Final Judgment](#)
- [McKinsey Allocation Amounts](#)
- The People of the State of California v. McKinsey & Company, Inc., United States, Superior Court of the State of California for the County of Alameda, Case No. RG21087649

### *California v. Mallinckrodt*

- [NOAT II Agreement](#)
- [Statewide Abatement Agreement](#)
- [Notice of Abatement Distribution](#)
- [Supplemental Notice of Abatement Distribution \(Reallocation\) \(City of San Clemente\)](#)
- [Supplemental Notice of Abatement Distribution \(Direct Payment Election\) \(City of Fullerton\)](#)

### *California v. Publicis*

- [Stipulated Judgment](#)
- The People of the State of California v. Publicis Health, LLC, Superior Court of the State of California for the County of Alameda, Case No. 24CV062231

### *California v. Endo*

- [Global Public Trust Agreement](#)
- [Notice of Distribution](#)
- [Supplemental Notice of Distribution \(Contra Costa County\)](#)

## 2025 National Settlements

### *California v. Purdue*

- [missing documentation]
- The People of the State of California v. Purdue Pharma L.P., et al., Los Angeles County Superior Court, Case No. 19STCV19045 [unconfirmed]

*California v. Mylan*

- [missing documentation]

*California v. Hikma*

- [missing documentation]

*California v. Amneal*

- [missing documentation]

*California v. Apotex*

- [missing documentation]

*California v. Indivior*

- [missing documentation]

*California v. Sun Pharmaceuticals*

- [missing documentation]

*California v. Alvogen*

- [missing documentation]

*California v. Zydus*

- [missing documentation]

## Independent Settlements

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<sup>1</sup> KFF. "Actual Tobacco Settlement Payments Received by the States (in millions)." Accessed 8 September 2025.

<https://www.kff.org/health-costs/state-indicator/tobacco-settlement-payments>.

<sup>2</sup> California executed a unique subdivision agreement following each settlement. See Cicero Institute, "California Opioid Settlement Documents." <https://drive.google.com/drive/u/1/folders/1y--ezpZC4hZ4zvDI5Lue4bYAwsrTLeTe>.

<sup>3</sup> Government Code § 12354. [https://california.public.law/codes/government\\_code\\_section\\_12354](https://california.public.law/codes/government_code_section_12354).

<sup>4</sup> California Department of Health Care Services, "California Opioid Settlements Reports." Accessed 11 September 2025.

<https://www.dhcs.ca.gov/provqovpart/Pages/FY-22-23-CA-Opioid-Settlements-Reports.aspx>.

<sup>5</sup> Treatment Advocacy Center, "California Psychiatric Beds Report." 2023. <https://www.tac.org/wp-content/uploads/2023/10/Californiabedsinformation.pdf>.

<sup>6</sup> United States Census Bureau, "2023 American Community Survey – Total Population."

[https://data.census.gov/table/ACSDT1Y2023.B01003?q=population&t=Population+Total&g=010XX00US\\$0400000](https://data.census.gov/table/ACSDT1Y2023.B01003?q=population&t=Population+Total&g=010XX00US$0400000).

<sup>7</sup> Silver, Shanti, "Estimating Psychiatric Bed Need in the United States," p. 2-4. Treatment Advocacy Center Office of Research and Public Affairs. January 2024. [https://www.tac.org/wp-content/uploads/2024/03/TAC\\_ORPA\\_ResearchSummary1.24.pdf](https://www.tac.org/wp-content/uploads/2024/03/TAC_ORPA_ResearchSummary1.24.pdf).