Delaware'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 Delaware present an **unprecedented opportunity for generational investment** in treatment capacity for chronic substance abuse (CSA) and severe mental illness (SMI).

Delaware is set to receive **nearly $250 thousand** (*$233,007,253.60*) in opioid settlement funds—equal to nearly one-fourth of the state's share of the monumental Tobacco Master Settlement Agreement.[1] 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 is not underutilized. **Delaware 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.

Delaware holds all settlement proceeds in a state account titled the Prescription Opioid Settlement Fund.[2] A 27-person Behavioral Health Consortium distributes funds based upon the recommendations of the 15-person Prescription Opioid Settlement Distribution Commission, which itself is directed to solicit and review recommendations from the Consortium and three other committees.[3] This may prove to be too bloated to prioritize high-impact projects efficiently, and the **funds would be better prioritized at the direction of the legislature.**

Delaware has required a fair amount of transparency and maintains a public dashboard covering distribution of funds.[4] However, it fails to explain what the funds are used for and only lists the recipients. For example, a group named "Delaware Health Equity Coalition" received more than $500 thousand, though only the imagination can provide answers on specific uses of funds.

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

Certified Community Behavioral Health Clinics (CCBHCs)

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

- **Solution: Fund the development and expansion of CCBHCs.**
    - Expand the CCBHC footprint with an emphasis on a team-based approach to co-occurring disorders.
    - Create a stepped approach to SMI/CSA treatment with services provided by the CCBHCs.
    - 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. Delaware currently has only **7.9 state psychiatric beds** per 100,000 people available for civil (i.e., non-criminal) patients.[5] [6] Treatment Advocacy Center recommends a rate of 30-60 beds per 100,000. Even counting non-public secure psychiatric beds, Delaware still falls short of the minimum.[7] Secure beds are a costly but necessary expenditure to protect patients with severe psychiatric disorders and the public at large.

- **Solution: Fund the expansion of civil psychiatric beds.**
    - Invest in expanding state hospital capacity.
    - Move forensic (criminal) commitments to a jail-based restoration facility.
    - 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. This is especially true for low- to medium-acuity mental health crises. In order for CCBHCs and state psychiatric bed expansions to have the largest impact, there must be an immediate triage of low-acuity patients from higher-need patients, or else investments in these facilities will be drowned out, overburdened, and underutilized by those that need them most, just like emergency departments.

- **Solution: Fund community-based mental health response resources.**
    - Expand 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 of community resources with crisis networks such as the Lifeline to support those in need or provide guidance for concerned loved ones.

[1] 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.
[2] Del. Code Title 16 § 4808B. https://delcode.delaware.gov/title16/c048b/index.html.
[3] Del. Code Title 16 § 5196 – 5196B. https://delcode.delaware.gov/title16/c051/sc08a/index.html.
[4] Delaware Auditor of Accounts, "Prescription Opioid Settlement Dashboard." https://app.powerbigov.us/view?r=eyJrIjoiZjdlNTUzMzktN2ZmOC00YmI3LWJjN2UtYmY3NmYyMzdlZDQwIiwidCI6IjhjMDllNTY5LTUxYzUtNGRlZS1hYmIyLThiOTljMzJhNDM5NiJ9.
[5] Treatment Advocacy Center, "Delaware Psychiatric Beds Report." 2023. https://www.tac.org/wp-content/uploads/2023/10/Delawarebedsinformation.pdf.
[6] 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.
[7] 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.