

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

Michigan is set to receive **more than \$1.5 billion** (\$1,651,751,570.61) 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 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. **Michigan 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.

Michigan vested control of 50 percent of the opioid settlement proceeds (\$843,372,882.94) in the legislature, with the remaining 50 percent allocated to subdivisions.<sup>2</sup> The legislature subsequently created the 12-person opioid advisory commission, tasked with providing the legislature with recommendations for use of funds.<sup>3</sup> However, the governorship has its own opioids task force, and in practice, several entities contribute to the ultimate recommendations.<sup>4</sup> Michigan provides a decent level of transparency in funding priorities and appears to be allocating funds in a relatively responsible manner compared to other states.<sup>5</sup>

That being said, the state can do more to 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 Michigan.

### *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.

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<sup>i</sup> With the exception of the McKinsey and Publicis settlements, in which the state controls 100 percent of funds.

- **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. Michigan currently has only **2.7 state psychiatric beds** per 100,000 people available for civil (i.e., non-criminal) patients.<sup>6,7</sup> Treatment Advocacy Center recommends a rate of 30-60 beds per 100,000. Even counting non-public secure psychiatric beds, Michigan still falls short of the minimum.<sup>8</sup> 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 institutions for mental disease (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.

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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> MCL § 12.253. <https://www.legislature.mi.gov/Laws/MCL?objectName=mcl-12-253>.

<sup>3</sup> MCL § 4.1851(13)(c)(iv). <https://www.legislature.mi.gov/Laws/MCL?objectName=MCL-4-1851>.

<sup>4</sup> Vital Strategies, “Michigan’s Opioid Settlements.” Accessed 16 September 2025.

<https://www.opioidsettlementguides.com/michigan/decision-making/50-state-share>.

<sup>5</sup> Michigan Department of Health and Human Services, “Settlement Spending.” Accessed 16 September 2025.

<https://www.michigan.gov/opioids/opioidsettlements/settlement-spending>.

<sup>6</sup> Treatment Advocacy Center, “Michigan Psychiatric Beds Report.” 2023. <https://www.tac.org/wp-content/uploads/2023/10/Michiganbedsinformation.pdf>.

<sup>7</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>8</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).