

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

South Carolina is set to receive **more than \$725 million** (\$773,300,669.30) in opioid settlement funds—equal to nearly half 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. **South Carolina 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.

South Carolina has a scaled allocation structure, with about 15-20 percent of funds allocated to the state and 80-85 percent of funds allocated to subdivisions until the year 2030 and beyond, when proceeds will be allocated 50/50.<sup>2</sup> The nine-person Opioid Recovery Fund Board is authorized to disburse payments unilaterally from the Discretionary Subfund of the Opioid Recovery Fund.<sup>3</sup>

In the most recent report, the Board authorized \$6.4 million to around a dozen recipients to fund several dozen projects.<sup>4</sup> Allocating funds to diffuse community organizations to fund piecemeal prevention projects will not create lasting treatment infrastructure. **The state should amend the statute to abolish the Board and vesting final allocation authority in the legislature.**

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

### *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. South Carolina currently has only **3.9 state psychiatric beds** per 100,000 people 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, South Carolina still falls short of the minimum.<sup>7</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 diseases (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> “South Carolina Opioid Settlement Allocation Agreement.” <https://drive.google.com/file/d/1pVIGDD1S-G5hUEGblidXSsRMYqhCmtj/view?usp=sharing>.

<sup>3</sup> South Carolina Code § 11-58-40. <https://www.scstatehouse.gov/code/t11c058.php>.

<sup>4</sup> South Carolina Opioid Recovery Fund Board, “Discretionary Subfund Award List – 2024.” [https://scorf.sc.gov/files/dsf\\_awards\\_2024.pdf](https://scorf.sc.gov/files/dsf_awards_2024.pdf).

<sup>5</sup> Treatment Advocacy Center, “South Carolina Psychiatric Beds Report.” 2023. <https://www.tac.org/wp-content/uploads/2023/10/SouthCarolinabedsinformation.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).