

## CITY COUNCIL MEMORANDUM

**FROM:** The Office of the City Manager    **DATE:** September 22, 2025

**SUBJECT:** Approve Resolution No. 2025-040, approving participation in the National Opioid Governmental Entity Direct Shareholder Settlement Agreement with Purdue Pharma, L.P., affiliates, and the Sackler Family; and approving participation in the National Opioid Settlement Agreements with Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus.

**PRESENTER:** Trudy J. Lewis, Assistant City Manager

**SUMMARY:**

City Council is being asked to consider a resolution approving participation in the National Opioid Governmental Entity Direct Shareholder Settlement Agreement with Purdue Pharma, L.P. and the National Opioid Settlement Agreements with Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus. The purpose of these settlements is to help abate and alleviate the impacts of the opioid epidemic throughout the United States.

**GENERAL DESCRIPTION:**

***Purdue Pharma L.P. and Sacklers Settlement***

The City has received official notice regarding participation eligibility in the proposed National Opioid Settlement involving Purdue Pharma L.P., some of its affiliates, and the Sackler family. This settlement is part of Purdue's bankruptcy proceedings and includes two components:

1. Estate Settlement – Resolves Purdue's claims against the Sacklers and other parties.
2. Direct Settlement – Resolves direct claims held by states, local governments, and other creditors.

The agreement requires the Sacklers to contribute \$6.5 billion over 15 years, with \$1.5 billion due on the settlement's effective date (expected in 2026). Additional funds (approx. \$900 million) will be available from the Purdue estate on the effective date. The settlement includes injunctive relief to prevent future opioid misuse and restricts the Sacklers from participating in opioid-related businesses.



The State of Texas has elected to participate in this settlement agreement, making the City eligible for participation in the direct settlement. To receive funds, the City must affirmatively opt in by authorizing participation in the agreement and signing the Participation Form no later than September 30, 2025.

### ***Secondary Manufacturers Settlement***

The City has also received notice regarding participation eligibility in proposed National Opioid Settlements with several secondary manufacturers of opioids, including Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus ("Manufacturers"). This settlement is being entered into to resolve ongoing litigation between states and the Manufacturers.

The Settlements require the settling Manufacturers to pay hundreds of millions of dollars to abate the opioid epidemic. The Settlements will provide a maximum of approximately \$720 million in cash to participating states and subdivisions to remediate and abate the impacts of the opioid crisis. Depending on participation by states and subdivisions, the Settlements require:

- Alvogen to immediately pay up to approximately \$19 million;
- Amneal to pay up to approximately \$74 million over 10 years, and to provide either approximately \$177 million of its generic version of the drug Narcan or up to an additional approximately \$44 million in cash;
- Apotex to immediately pay up to approximately \$65 million;
- Hikma to immediately pay up to approximately \$98 million, and to provide either approximately \$35 million of its naloxone product or up to an additional approximately \$7 million in cash;
- Indivior to pay up to approximately \$75 million over five years, a portion of which, at the election of the state, could be paid in the form of Indivior's branded buprenorphine and/or nalmefene products with a value of up to \$140 million;
- Mylan to pay up to approximately \$290 million over nine years;
- Sun to immediately pay up to approximately \$32 million; and
- Zydus to immediately pay up to approximately \$15 million.

The Settlements also contain injunctive relief governing opioid marketing, sale, distribution, and/or distribution practices and require the Manufacturers to implement safeguards to prevent diversion of prescription opioids.

The State of Texas has elected to participate in these settlement agreements with the Manufacturers, making the City eligible to participate in the settlements. To receive funds, the City must affirmatively opt in by authorizing participation in the agreements and signing the Combined Participation Form no later than October 8, 2025.

### ***Prior Settlements***



On July 23, 2021, the Texas Attorney General announced that global settlements had been reached with the three major opioid distributors McKesson, Cardinal Health, and Amerisource Bergen (ABDC), and opioid manufacturer Johnson & Johnson (collectively the "Pharmaceutical Companies"). The City of North Richland Hills adopted Resolution 2021-036 allowing the city to participate in this settlement on December 13, 2021. North Richland Hills has received \$ 98,530 since that time.

The settlement funds can be used for a wide variety of strategies for prevention and treatment used to fight the opioid crisis, including expansion of training for first responders, coverage for uninsured individuals, preventative education for school-based and youth-focused programs, and treatment and recovery support services for the use of opioids and other illicit drugs.

**RECOMMENDATION:**

Approve Resolution No. 2025-040.