



COUNCIL REPORT

DATE:	September 9, 2025
CATEGORY:	Consent
DEPT.:	City Attorney's Office
TITLE:	National Opioids Settlements – Additional Settlements

RECOMMENDATION

Authorize the City of Mountain View to participate in the National Opioids Settlements with Purdue Pharma L.P. & Sackler Family, and eight opioid manufacturers, Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus, and authorize the City Manager or designee to execute related settlement participation forms and agreements, including agreement(s) with the state or county for use of settlement proceeds without further Council action.

BACKGROUND

National class action lawsuits against manufacturers, distributors, and other entities responsible for causing or contributing to the opioid epidemic have resulted in large-scale settlements, known as the National Opioids Settlements, involving the payment of billions of dollars to eligible entities, including states, counties, and cities. Most of the funds go directly to participating states and their subdivisions and must be used for abatement of the opioid epidemic.

The City Council has previously approved the City of Mountain View's participation in the National Opioids Settlements with large pharmaceutical distributors, pharmaceutical manufacturers, and pharmacy chains, including CVS, Walgreens, and Wal-Mart, and Kroger Co.

The City was recently notified of additional settlements with Purdue Pharma L.P and the Sackler Family ("Purdue Settlement"), and eight opioid manufacturers, Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus ("Manufacturers' Settlements"). To participate in these settlements, the City must submit participation documents by September 30, 2025, for the Purdue Settlement, and October 8, 2025, for the Manufacturers Settlements.

ANALYSIS

Purdue Settlement

A proposed nationwide settlement agreement has been reached with Purdue Pharma L.P. and the Sackler family concerning alleged misconduct related to opioids.

The proposed Purdue Settlement is being implemented in connection with Purdue's bankruptcy proceedings, and consists of, among other things, a settlement of Purdue's claims against the Sacklers and certain other parties, and a settlement of direct claims against the Sacklers held by States, local governments and other creditors, the latter of which is the subject of this Council report. In aggregate, the settlement contemplates the Sacklers paying \$6.5 billion in 16 payments over 15 years. The Purdue Settlement also contains injunctive relief governing opioid dispensing practices and requires the successor-in-interest of Purdue Pharma L.P. to implement safeguards to prevent diversion of prescription opioids, and also restrict certain Sacklers from directly or indirectly engaging in the manufacturing or sale of opioids, as detailed in the Settlement.

California's share of the settlement is approximately \$440 million. Nearly 100% of the eligible counties and cities in California must participate to reach this maximum amount, and the funds may only be used for eligible opioid abatement activities and related expenditures. Mountain View's allocation will be delivered to Santa Clara County, as it has been for the prior National Opioids Settlements the City has participated in, because the eligible opioid abatement activities involve changes to medical treatment and prescriptions, counseling services, and recovery services, which are services provided by the County, not the City.

To participate in the Purdue Settlement, the City must sign and return documentation acknowledging its acceptance of the terms of the Purdue Settlement and express its desire to participate in the settlement no later than September 30, 2025.

Manufacturers' Settlement

The Manufacturers' Settlement will provide a maximum of approximately \$720 million 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.

It is currently unclear how much the City is eligible to receive from the Manufacturers' Settlement. The amount depends on how many subdivisions in California participate in the settlement. It is also not clear if the Manufacturers' Settlement will include the same payment options as in prior National Opioids Settlements, but if so, staff continues to recommend that the City assign its portion of the settlement proceeds to the County so the funds may be used for eligible abatement activities.

To participate in the Manufacturers' Settlement, the City must sign and return documentation acknowledging its acceptance of the terms of the Manufacturers' Settlement and express its desire to participate in the settlement no later than October 8, 2025.

FISCAL IMPACT

Participating in these settlements will allow the City to be eligible to receive and direct funding to the County for eligible opioid abuse abatement activities. The exact amount is unknown at this time and depends on how many subdivisions in California participate in the settlements.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a "license, permit, or other entitlement for use" if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more

information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

☒ General policy and legislative actions

ALTERNATIVES

Do not authorize the City to participate in the additional National Opioids Settlements.

PUBLIC NOTICING,

Agenda posting.

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