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Strategies for Effectively Allocating Opioid Settlement Funds

Opioid settlements with pharmaceutical companies have already occurred, and there are more to come. Settlement funds could save lives and mitigate lifelong harms from opioid misuse if they are allocated to the most effective interventions. States and communities have one chance to get the allocation right and to avoid some of the missteps that substantially diminished the potential public health impact of the tobacco settlement.



In support of that goal, OPTIC researchers have compiled:

Jump to Topic:

- [Allocating Settlement Funds: Best Bets and Lessons Learned](#)

- guiding principles for allocating opioid settlement funds
 - recommendations for addressing the root causes of overdose death
 - profiles of studies assessing the effectiveness of specific programs and policies.
- [Addressing Root Causes of the Opioid Crisis](#)
 - [Allocating Settlement Funds to What We Know Works](#)

These materials have different perspectives, focus on different aspects of the crisis, and use different methods to derive their assessments. However, **we offer four key takeaways:**

- 1 The root causes of opioid deaths are diverse across individuals. However, they share some common socioeconomic and public health themes—e.g., lack of economic opportunity, financial and/or housing instability, persistent physical pain, feelings of despair, helplessness, and untreated mental health issues. In both the short and the long term, address those issues directly rather than focusing only on opioid analgesic agents as the cause of harm.
- 2 The science demonstrates that no single policy or program can address the unique characteristics of the opioid crisis in your community. Before adopting an approach, weigh the evidence that it would work in your environment. Then clearly define how you will know if your approach is achieving its intended goals.
- 3 Multiple studies show that giving individuals access to evidence-based treatment for opioid use disorder and keeping them in treatment are effective ways to reduce opioid-related harms. Pursuing these goals does not necessarily require enormous spending. For example, barriers to access can be reduced by expanding insurance coverage for buprenorphine treatment, reducing cost sharing, eliminating prior authorization for treatment, and incentivizing providers to treat these patients by offering higher reimbursements.
- 4 It is clear that what started as an opioid crisis has quickly evolved into a polysubstance crisis in many communities. When looking for short- and long-run solutions within your community, consider how the strategies being considered influence use and treatment of other addictive substances.

Consider the multiple benefits of comprehensive strategies targeting the use of various substances when appropriate rather than narrowly considering impacts only on opioid outcomes and harm.

Allocating Settlement Funds: Best Bets and Lessons Learned

Evidence Based Strategies for Abatement of Harms from the Opioid Epidemic

In this report, the foremost experts in the field describe the “best bets” for putting settlement funds to work, based on the available science; provide cost estimates for scaling; and discuss how some packages of abatement programs may be more practical than others given each state’s political, financial, and infrastructure circumstances. Each chapter is accompanied by a stand-alone Fact Sheet (linked below) that presents Key Takeaways and Recommendations.

- [Treatment Components \(PDF\)](#)
- [Harm Reduction \(PDF\)](#)
- [Care for Opioid Use Disorder \(OUD\) in the Criminal Justice System \(PDF\)](#)
- [Preventing Opioid Misuse and Its Harmful Effects on Children and Families \(PDF\)](#)
- [Data Infrastructure \(PDF\)](#)
- [Policy Infrastructure \(PDF\)](#)

Principles for the Use of Funds from the Opioid Litigation (PDF)

A coalition of more than 30 medical, academic, public health, and advocacy organizations offered recommendations to help guide state and local spending of potential opioid litigation settlement funds. The coalition lays out five principles that states and localities receiving settlement funds may consider and includes specific recommendations for how jurisdictions can adopt the principles.

- [Spend money to save lives.](#)

- [Use evidence to guide spending.](#)
- [Invest in youth and family prevention.](#)
- [Focus on racial equity.](#)
- [Develop a fair and transparent process for deciding where to spend the funding.](#)

Helpful Hints for Avoiding Pitfalls

States and localities will get one chance to use opioid settlement funds wisely. Avoiding these potential pitfalls may be helpful.

- **Pitfall 1: Use settlement funds to repay debts or replace current funds.** Overdose deaths are increasing, and funds can be used to change this trajectory.
- **Pitfall 2: Spend the settlement funds immediately.** States can reserve a portion of funds for [prevention efforts](#) needed over the next decade.
- **Pitfall 3: Spend the settlement funds on ineffective programs.** Programs that can most immediately and effectively reduce overdose rates include [distributing naloxone](#), [detecting fentanyl](#), [providing sterile syringes](#), and [connecting people to adequate housing](#). Other promising ideas include [Medicaid](#) and enforcing parity rules in [private insurance](#).
- **Pitfall 4: Ignore predominantly nonwhite communities that have been deeply harmed by the War on Drugs.** Equitable resource distribution should support all communities affected by opioids.
- **Pitfall 5: Spend the settlement funds without evaluation or monitoring.** Some states and localities have already [set up systems](#) to oversee the response to the opioid crisis and may be better positioned to make use of new funding.

From the War on Drugs to Harm Reduction: Imagining a Just Overdose Crisis Response

A group of experts in public health, harm reduction, drug policy, and child welfare offer specific recommendations to policy makers and advocates for using opioid settlement funds. The recommendations cover two broad areas:

1. prioritizing the health and well-being of people who use drugs and people with opioid dependence, and

2. preventing opioid use and addressing structural drivers of opioid use and dependence.

An [infographic](#) captures the main points. The [full report](#) (PDF) provides details.

Bringing Science to Bear on Opioids

The Association of Schools and Programs of Public Health (ASPPH) Task Force on Public Health Initiatives to Address the Opioid Crisis offers [recommendations](#) for how to use settlement funds:

- Improve collection of evidence and epidemiological data on all dimensions of the crisis
- Combat stigma
- Ensure access to medications for opioid use disorder
- Reduce associated harms
- Support primary prevention efforts
- Prepare for program rollout and evaluation

The [Executive Summary](#) (PDF) and a [slide deck](#) (PDF) offer details.

How States are Preparing for Opioid Settlement Funds

[This blog](#) from the Association of State and Territorial Health Officials provides a way to monitor legislative activity and trends. It offers a useful summary of how the settlement process is evolving, and notes some of the lessons learned from the 1998 Master Tobacco Settlement. This piece also notes what a few state legislatures have already done related to distributing opioid settlement funds, including [Kentucky](#), [Massachusetts](#), [Minnesota](#), [New Jersey](#), [New York](#) (PDF), and [Oklahoma](#) (PDF).

Addressing Root Causes of the Opioid Crisis

No single intervention can reduce opioid dependence and death. To be truly effective, policies and interventions should address the fundamental causes of overdose deaths (e.g., lack of economic opportunity, financial and/or housing instability, persistent physical pain, feelings of despair, and untreated mental health

issues) and enhance treatment for drug dependence and overdose rather than focusing only on opioid analgesic agents as the cause of harm.

OPTIC studies have highlighted various dimensions of health disparities in the United States that are particularly relevant for addressing root causes of the crisis.



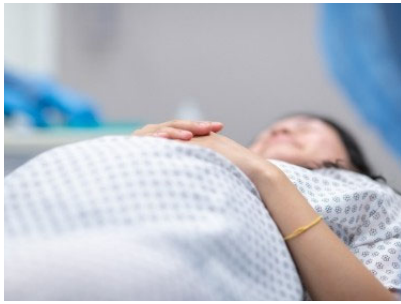
Multiplying the Impact of Opioid Settlement Funds by Investing in Primary Prevention

Partnering with communities, hospitals can address the root causes of opioid use through primary prevention, including supporting economic opportunity in their communities, expanding affordable housing in surrounding neighborhoods, and building prevention capacity in ambulatory practices and pharmacies to prevent opioid use disorders.



Addressing Growing Racial/Ethnic Disparities in Buprenorphine Distribution

Buprenorphine distribution in the U.S. increased significantly from 2007–2017, but growth was greater in regions with higher percentages of White residents. Medicaid expansion states had higher buprenorphine distribution rates, perhaps because these states provided more support for substance use treatment. Coverage of buprenorphine treatment by governmental entities and commercial insurers can help reduce treatment barriers for both patients and providers. Reducing cost sharing and eliminating prior authorization for certain buprenorphine formulations could help reduce racial/ethnic disparities in accessing treatment.



The Social Context of Neonatal Abstinence Syndrome

This study encompassed 6.3 million births from 2009 to 2015 in 580 counties across eight states. The rate of babies born with neonatal abstinence syndrome (NAS) was often highest in the most rural counties and in counties with the highest unemployment rates.

Counties with shortages of mental health workers also had significantly more NAS cases than counties without shortages. Clinician training programs targeting communities in shortage areas, telehealth, loan forgiveness programs, and integrated collaborative care models that enhance both access and quality all have the potential to increase access to effective mental health care.



Pregnancy and Insurance Status Affect Treatment Access for Opioid Use Disorder

In this study with simulated-patient callers, pregnant women were less successful than nonpregnant women of reproductive age in obtaining appointments for treatment by buprenorphine-waivered prescribers. For both pregnant and nonpregnant women in any

treatment setting, problems with acceptance of insurance and common expectations for cash payment are obstacles to care. Policymakers striving to combat the opioid crisis should consider mechanisms to lower barriers to treatment for women of reproductive age with OUD, for whom effective treatments exist but routine access to treatments may not.

Allocating Settlement Funds to What We Know Works

Which opioid policies are effective? Recent studies provide qualified answers—qualified because the methods and data sources strongly influence the conclusions that can be drawn from each study.



Details of Naloxone Laws Make a Difference

Naloxone access laws can save lives, but the details matter. Permitting pharmacists to dispense naloxone directly, under their own authority, seems to be more effective in reducing opioid overdoses than laws that did not give them this authority.



Policies Related to Substance Use in Pregnancy Affect Rates of Neonatal Abstinence Syndrome (NAS)

Consistent with other research, this study suggests that punishing pregnant women for substance use likely discourages them from seeking prenatal care and substance use disorder treatment, resulting in higher NAS rates. Policymakers seeking to reduce NAS rates

should consider approaches supported by public health experts that expand access for pregnant women to evidence-based treatment for opioid use disorders and focus on prevention.

Comparative Effectiveness of Different Treatment Pathways for Opioid Use Disorder

[This study](#) compared treatment options in a real-world setting. Drawing on claims data for more than 40,000 adults with opioid use disorder who had commercial or Medicare Advantage insurance coverage, the study examined the effectiveness of 6 mutually exclusive treatment pathways: (1) no treatment, (2) inpatient detoxification or residential services, (3) intensive behavioral health, (4) buprenorphine or methadone, (5) naltrexone, and (6) non-intensive behavioral health.

Only buprenorphine and methadone were associated with reduced overdose and opioid-related morbidity 12 months after initial treatment.

Estimates of Opioid Mortality After Community-level Interventions

Using simulated urban and rural communities, this study modeled which combinations of 3 interventions (initiating medication for opioid use disorder [MOUD], increasing 6-month retention in treatment, and increasing naloxone distribution) were associated with reducing opioid overdose by 40%. No single

intervention achieved this goal. Significantly reducing opioid overdoses would require a [multifaceted approach](#): communities will need to simultaneously scale up MOUD, improve treatment retention, and increase naloxone distribution.

ABOUT

The RAND Corporation is a research organization that develops solutions to public policy challenges to help make communities throughout the world safer and more secure, healthier and more prosperous. RAND is nonprofit, nonpartisan, and committed to the public interest.



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