

Memorandum

REPORT TO: City Commission

FROM: Greg Sullivan, City Attorney
Kelley Rischke, Assistant City Attorney

SUBJECT: Authorize City Manager to Sign on to National Opioid Settlement with 8 Additional Opioid Manufacturers

MEETING DATE: September 23, 2025

AGENDA ITEM TYPE: Agreement - Legal

RECOMMENDATION: Authorize City Manager to Sign on to this group of national opioid settlements with Opioid Manufacturers Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun and Zydus, agreeing to the terms of each settlement and releasing the City's claims against each of these defendants in exchange for a direct payment of settlement funds to the City.

STRATEGIC PLAN: 1.3 Public Agencies Collaboration: Foster successful collaboration with other public agencies and build on these successes.

BACKGROUND: The State of Montana has negotiated settlements with eight manufacturers of opioid medications for their alleged role in the diversion, misuse, and abuse of drugs that fueled the opioid crisis in America. The City of Bozeman qualifies to receive direct payment from the settlement funds to be used for abatement and remediation of the effects of the opioid crisis in the community, if the City signs on to the settlement. Some political subdivisions decided to retain counsel and file suit against some of the defendants in the nationwide opioid litigation; the City of Bozeman did not choose to litigate, so its best opportunity to receive any funds to address opioids is through this settlement.

Since 2021, the City of Bozeman has joined 11 opioid settlements with various manufacturers, distributors, and pharmacy chains, including: manufacturers Janssen, Teva, Allergan, and Endo; distributors McKesson, Cardinal, and Amerisource Bergen; and pharmacy chains Kroger, Walmart, Walgreens, and CVS. The City has received \$130,966.06 directly to-date from these settlements. In addition to settlement funds, each settlement requires injunctive relief designed to address the marketing and sales tactics, manufacturing and distribution processes, and incentive programs that caused the opioid epidemic.

In signing on to this settlement, the City must release its claims against each of the eight manufacturer defendants. Due to the amount of time and

resources required to independently litigate this case and the fact that the State of Montana and a handful of local governments have investigated or litigated this case against these defendants for many years, the City Attorney does not recommend pursuing independent litigation.

Settlement funds must be used for evidence-based strategies, programing, and services to address the misuse and abuse of opioids, treat or mitigate opioid misuse or related disorders, and mitigate other harms from overprescribing opioids, including the misuse or abuse of Fentanyl. For instance, funds could be used to aid recovery from addiction or support for law enforcement. A document from the national opioid settlement with approved uses of settlement funds is attached to this memorandum.

To join the settlement, the City must sign a Participation Agreement and Release. The Settlement Agreement and other documents related to this and many other opioid settlements is found at www.nationalopioidsettlement.com. The Attorney General's cover letter along with the participation and release form are attached to this memorandum. The deadline to sign on to this settlement is October 8, 2025.

UNRESOLVED ISSUES: None.

ALTERNATIVES: Decline to join this opioid settlement and do not sign the required documents.

FISCAL EFFECTS: The precise amount the City will receive is unknown at this time. Because the amount of money distributed to the State of Montana depends on the level of participation in the settlement by its local governments, it is impossible at this juncture to determine the amount of money the City of Bozeman will receive. If insufficient numbers of local governments participate, the settlements may not be finalized.

From these nation-wide settlements, if full participation and incentives are reached, the manufacturers will pay the following amounts nationally:

- * 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 5 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 9 years;

* Sun to immediately pay up to approximately \$32 million; and

* Zydus to immediately pay up to approximately \$15 million.

The above amounts reflect the total each defendant will pay nationally. Of those amounts, the State of Montana will receive its allocation. The State of Montana's anticipates that its share of the settlements will total roughly \$2.5 million. Of the State's allocation, 15% of the amount is allocated to local governments, 15% is allocated to the State of Montana, and 70% is allocated to the Montana Opioid Abatement Trust ("the Trust"). Of the 15% allocated to local governments, The City of Bozeman's share is roughly 2.02%.

The Trust considers proposals and awards funds within various subregions of the State. The City of Bozeman and Gallatin County are one such subregion that may receive distributions from the Trust.

All of the settlement funds must be used by participating states and subdivisions to remediate and abate the impacts of the opioid crisis.

Attachments:

[AG Cover letter and sign on materials.pdf](#)

[List-of-Opioid-Remediation-Uses.pdf](#)

Report compiled on: September 5, 2025