

Louisiana



Total Funds

\$325 million¹

Allocation

80% to local governments
and 20% to sheriffs

Mechanism

Allocation agreement between
the state and local governments
([Louisiana State-Local
Government Opioid Litigation
Memorandum of Understanding](#))²

Key Takeaways

20% to sheriffs. Louisiana is unique for allocating 20% of its funds directly to its localities' sheriffs.³ This has raised concerns that the funds will be used to further entrench punitive, criminalization-based approaches to substance use.⁴

Public reporting. Each Qualified Parish and Lead Parish must annually report expenditures of their 80% share to the state and the [Opioid Abatement Taskforce](#).⁵ It is unclear whether the state will publish these reports.⁶ The 20% share allocated to each of the 64 parishes' sheriffs, however, is not subject to similar reporting.⁷

A private, non-profit corporation oversees localities' funds. Louisiana, unlike most states, created a private, non-profit corporation to oversee the localities' share of funds. The Opioid Abatement Administration Corporation, created in 2022, operates as the Opioid Abatement Taskforce described in the MOU.⁸

Background

The [Louisiana State-Local Government Opioid Litigation Memorandum of Understanding](#) (MOU) directs all funds to an Opioid Abatement Fund for the benefit of local jurisdictions, with 80% of funds allocated to the state's 64 parishes and 20% of funds allocated to each of the 64 parishes' sheriffs.⁹

All funds for parishes must be spent on evidence-based, forward-looking "Approved Purposes,"¹⁰ which Louisiana defines to include substance use disorder treatment and support for people in recovery and under the care of medical providers, with priority given to treatment for people who are not covered by Medicaid or private insurance, and uses in the MOU's [Exhibit A](#).¹¹ Louisiana's [Exhibit A](#) differs from the national settlement agreements' [Exhibit E](#). For example, Louisiana's list of approved uses includes explicit references to abstinence-based treatment, prosecutorial diversion programs, and more general opioid-related law enforcement expenditures. Louisiana's MOU does not describe allowable expenses for the sheriff's 20% share of funds.

This resource is current as of 4/19/2023. For the most up-to-date information, please visit <https://www.opioidsettlementtracker.com/settlementspending>.



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Decision-Making Process

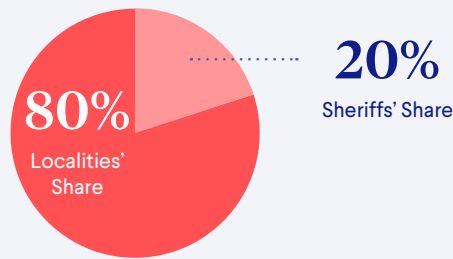
LOCAL PLANNING EXAMPLE

Jefferson Parish adopted a Cooperative Endeavor Agreement (CEA) with the Opioid Abatement Administration Corporation (OAAC) to receive its share of settlement dollars.¹⁶ This CEA works to apply the state's Approved Purposes definition and other spending priorities from the MOU to the locality's own overdose crisis abatement efforts.¹⁷

80% LOCALITIES' SHARE

Eighty percent (80%) of Louisiana's settlement funds will be paid to its parishes and municipalities according to the percentages in [Exhibit B](#) of the MOU.¹² Qualified Parishes, which are parishes with at least 300,000 people (i.e., East Baton Rouge, Jefferson, and Orleans),¹³ will receive their allocations directly for spending on the Approved Purposes and Core Strategies described in the MOU's [Exhibit A](#) and must prioritize funding treatment for opioid use disorder for people who are not covered by Medicaid or private insurance.¹⁴ All other parishes will receive their funds via regional distributions based on the [Louisiana Department of Health Regions](#) for spending on Approved Purposes and Core Strategies and must also prioritize OUD treatment funding for those not covered by Medicaid or private insurance.¹⁵

ALLOCATION OF SETTLEMENT FUNDS



The state's Opioid Abatement Administration Corporation ([OAAC](#)) is responsible for advising the Attorney General and localities on overdose crisis abatement priorities and reviewing how funds have been spent.¹⁸ The OAAC's duties are the same as those assigned to the Opioid Abatement Taskforce by the MOU:¹⁹ it must annually determine each Parish's share,²⁰ identify investments for unexpended monies not appropriated to parishes,²¹ and cap its administrative expenses at no more than 3% of monies in the Opioid Abatement Fund.²²

OPIOID ABATEMENT ADMINISTRATION CORPORATION

The 5-member OAAC²³ is composed of three local government representatives (appointed by the Louisiana Municipal Association, the Police Jury Association,²⁴ and the Louisiana Sheriff's Association);²⁵ one representative appointed by the Louisiana Department of Health, and one SAMHSA-licensed health provider appointed by the governor.²⁶ Although the [Opioid Abatement Taskforce's](#) official website does not list any members, local reports provide a few: Chester Cedars (President of St. Martin's Parish and the President of the OAAC), David Butler (Mayor of Woodworth), Sheriff K.P Gibson (Acadia Parish), Dr. James Hussey, and Dr. Arwen Podesta.²⁷



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Decision-Making Process

(Continued)

20% SHERIFFS' SHARE

The remaining 20% of settlement funds will be paid to the sheriffs of Louisiana's 64 parishes by formula.²⁸ The OAAC's duties do not include oversight of this portion of funds,²⁹ so Sheriffs' offices will likely exercise discretion over how to spend their funds.

LOCAL PLANNING EXAMPLE

K.P. Gibson, who represents Louisiana's Sheriffs Association on the OAAC, held that his focus in Acadia Parish was on getting people into treatment, not punishment, and that resolving "opioid addiction" would ease the strain on local jails.³⁰

Tracking Funds and Accountability

- Each Qualified Parish and Lead Parish must annually report their expenditures to the state and [Opioid Abatement Taskforce \(i.e., the OAAC\)](#).³¹ It is unclear whether the state and/or OAAC will publish these reports.³²
- The 20% share allocated to each of the 64 parishes' sheriffs has no public expenditure reporting requirements.³³
- The Opioid Abatement Taskforce must meet in person or virtually annually,³⁴ but it is unclear if these meetings must be open to the public and the [Taskforce's](#) official government website provides little detail. However, [parish-level documentation](#) reveals the Opioid Abatement Administration Corporation (i.e., the Taskforce) has met at least twice, including in January 2023.³⁵
- The state, parishes, and municipalities must maintain records of their expenditures for at least five years to confirm that funds were spent on Approved Purposes.³⁶ Importantly, sheriffs' expenditures are also subject to this requirement.
- The Louisiana Legislative Auditor may audit the use of funds.³⁷

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Engaging in the Process

- Watch for future legislation that may establish a fund to house opioid settlement monies. [HB 1045](#) (withdrawn 2022)³⁸ and [HB 34](#) (stalled 2020) proposed to do just that. HB 1045 also would have provided details about how funds could be spent,³⁹ imposed reporting requirements,⁴⁰ and established a council to be housed within the Department of Health to provide oversight of settlement monies.⁴¹
- Call for more transparency from the OAAC, which was established as a private, non-profit corporation. As of publication, few details exist about current members or its work.

Additional Resources

LOUISIANA DEPARTMENT OF HEALTH

[Opioids: The Problem and Challenge in Louisiana](#)

[Louisiana's Opioid Response Plan \(2019\)](#)

[The Louisiana Comprehensive Opioid Abuse Program Action Plan \(2019\)](#)

LOUISIANA COMPREHENSIVE OPIOID ABUSE PROGRAM, OFFICE OF BEHAVIORAL HEALTH

[The Louisiana Comprehensive Opioid Abuse Program Action Plan](#)

MEMORANDUM TO THE LOUISIANA DEPARTMENT OF HEALTH:

[Expert Panel Recommendations to Address the Opioid Epidemic \(December 2018\)](#)



References

Last updated April 19, 2023.

1. From settlements with distributors McKesson, AmerisourceBergen, Cardinal Health and manufacturer Johnson & Johnson only. Louisiana is also participating in several settlements that are likely to be finalized later this year, e.g., CVS, Walgreens, and Walmart. See KHN's "[The Right to Know: Where Does Your State Stand on Public Reporting of Opioid Settlement Cash?](#)" interactive transparency map (located mid-article; click "Louisiana" for state-specific participation information) and OpioidSettlementTracker.com's [Global Settlement Tracker](#) for more information.
2. Louisiana's MOU is not limited by its definitions to the Distributor and Janssen Settlements (see MOU A.4-5, A.7-8). Note that many states' mechanisms for opioid settlement spending were designed to comply with the requirements of the [Distributor](#) and [Janssen](#) settlement agreements, which require (among other provisions) that a minimum of 85% of settlement funds be spent on opioid remediation expenditures. *Section V.B.1.* Subsequent settlements require varying thresholds of opioid remediation spend; the [CVS](#) and [Walgreens](#) agreements, for instance, require a minimum of 95.5% and 95% opioid remediation spending, respectively. *Section V.B.1.* Keep an eye out for the ways states will amend their spending mechanisms, if at all, to comply with subsequent settlement terms.
3. MOU C.1(a).
4. See, e.g., [How will Louisiana spend its share of the opioid settlement funds?](#)
5. MOU B.7.
6. The MOU requires the state and taskforce to publish an annual report regarding the "State Share." MOU B.8. However, all of Louisiana's opioid settlement funds are distributed to sheriffs and other local governments, MOU C.1., meaning there is no "State Share" in the traditional sense. Although it is possible that this provision was intended to require the state and taskforce to publish the annual expenditure reports it receives from each Qualified Parish and Lead Parish, no such publication requirement is explicitly created by the text of the MOU.
7. See OpioidSettlementTracker.com's "[States' Initial Promises to Publicly Report Their Opioid Settlement Expenditures.](#)"
8. See MOU B. See also [Jefferson Parish Resolution No. 141337](#). "[T]he Opioid Abatement Administration Corporation, a non-profit corporation of the State of Louisiana, [is] referred to as the "Task Force," as it is sometimes identified in the Louisiana State-Local Government Opioid Litigation Memorandum of Understanding and its attachments."
9. MOU C.1, A.2, A.13. See also [Louisiana opioid settlement money to go to local governments](#) ("Under the agreement Landry announced Wednesday, Louisiana's health department and other state agencies won't receive any of the settlement money, except for administrative costs related to an opioids abatement council").
10. MOU C.1(d)-(e). The forward-looking nature of spending by definition prohibits reimbursement uses of settlement dollars.
11. MOU A.6.
12. MOU A.2, C.1(b).
13. MOU A.11.
14. MOU C.1(d).
15. MOU C.1(e).
16. [Jefferson Parish Resolution No. 141337](#) ("the Task Force recognizes that all parishes identified in the MOU are entitled to receive Proceeds directly and has drafted a Cooperative Endeavor Agreement for the Parish to enter in order to receive its share of Proceeds").
17. "[T]he public purpose for this Cooperative Endeavor Agreement is to distribute and use Proceeds to provide for Opioid remediation in the form of evidence based forward-looking strategies, programming and services used to (i) provide treatment for citizens of the State of Louisiana affected by substance use disorders, (ii) provide support for citizens of the State of Louisiana in recovery from addiction who are under the care of Substance Abuse & Mental Health Services Administration qualified and appropriately licensed health care providers; and to (iii) target treatment of citizens of the State of Louisiana who are not covered by Medicaid or not covered by private insurance for addictive services." [Jefferson Parish Resolution No. 141337](#).
18. MOU B.
19. "[T]he Opioid Abatement Administration Corporation, a non-profit corporation of the State of Louisiana, [is] referred to as the "Task Force," as it is sometimes identified in the Louisiana State-Local Government Opioid Litigation Memorandum of Understanding and its attachments." [Jefferson Parish Resolution No. 141337](#).

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References

(Continued)

20. MOU C.1(c).
21. MOU C.1(f).
22. MOU C.1(g).
23. MOU B.1.
24. "Police juries" are the elected governing bodies of 38 of Louisiana's 64 parishes, akin to commissions or councils that govern other counties. <https://www.lpgov.org/page/ParishGovStructure>.
25. MOU B.2(a)-(c).
26. MOU B.3(a)-(b).
27. See St. Martin Parish Council's January 2023 [President's Report](#).
28. MOU A.13, C.1(b).
29. MOU B.7-8.
30. [How will Louisiana spend its share of the opioid settlement funds?](#)
31. MOU B.7.
32. The MOU requires the state and taskforce to publish an annual report regarding the "State Share." MOU B.8. However, all of Louisiana's opioid settlement funds are distributed to sheriffs and other local governments, MOU C.1., meaning there is no "State Share" in the traditional sense. Although it is possible that this provision was intended to require the state and taskforce to publish the annual expenditure reports it receives from each Qualified Parish and Lead Parish, no such publication requirement is explicitly created by the text of the MOU.
33. See OpioidSettlementTracker.com's "[States' Initial Promises to Publicly Report Their Opioid Settlement Expenditures](#)."
34. MOU B.6.
35. St. Martin Parish Council's January 2023 [President's Report](#).
36. MOU E.2, A.3
37. MOU E.3.
38. HB 1045 Sec. 100.172.A.
39. HB 1045 Sec. 100.172.B.
40. HB 1045 Sec. 100.172.C.
41. HB 1045 Sec. 100.173.