National Opioid Settlements
Attorney General – Department of Law
Program Summary

Program Overview
Beginning in 2017, states began suing members of the opioid pharmaceutical supply chain, alleging that misleading/aggressive marketing of opioid medications led to overprescription, unsafe pain management recommendations, and ultimately widespread abuse of opioids. These nationwide lawsuits sought to recover costs incurred by public entities to mitigate the resulting opioid substance abuse epidemic.

In 2021, the first of these cases was resolved between the 3 largest opioid distributors and 48 states (including Arizona), the District of Columbia, and 5 territories. Since then, Arizona has signed on to a total of 14 national opioid settlements.

As part of these settlements, states agreed to dismiss their lawsuits against manufacturers in exchange for scheduled payments for defined periods of time (the longest payment schedules run through FY 2041). Based on data from the Attorney General, the total value to the State of Arizona and local governments of settlement payments across all 14 settlements will be approximately $1.2 billion (see *Table 1*). Based on the terms of the settlement agreements (*see One Arizona Agreement section below*), the state would receive approximately $556.2 million of the total $1.2 billion settlement amount. The amount Arizona receives each year is variable, as revenues are determined separately for each settlement based on defined schedules and conditional formulas.

Table 1

Estimated Lifetime Arizona Opioid Settlement Revenues

Settlement	Final Year of Settlement	Total Arizona Receipts
Distributor Settlement (AmerisourceBergen, Cardinal Health, & McKesson)	FY 2039	$451,066,760
Janssen	FY 2031	103,292,345
Mallinckrodt Bankruptcy	FY 2024	7,910,731
Teva Pharmaceuticals	FY 2036	92,991,845
Allergan	FY 2030	51,232,770
Walmart	FY 2028	64,201,428
CVS	FY 2032	113,363,593
Walgreens	FY 2037	123,297,961
Endo Pharmaceuticals Bankruptcy	FY 2025	14,021,221
Kroger	FY 2034	68,500,000
Purdue Pharma Bankruptcy	FY 2041	108,179,642
McKinsey and Co. 1/	FY 2021	13,350,614
Publicis Health 1/	FY 2024	8,148,291
Secondary Manufacturers	FY 2035	17,161,054
Total		**$1,236,718,255**

1/ Payments were finalized outside of the One Arizona Agreement. As a result, these monies were paid solely to the state, and no monies were distributed to local government entities.

Source: Arizona Attorney General "Total Anticipated Allocations."

State Restrictions on Opioid Expenditures
Opioid settlement monies are deposited into the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund. A.R.S. § 44-1531.02(C) establishes the Consumer Remediation Subaccount, which consists primarily of settlement monies associated with consumer protection cases prosecuted by the Attorney General. The Attorney General may spend up to $4.0 million of non-opioid claims-related monies from

the Consumer Remediation Subaccount each fiscal year without legislative appropriation; any expenditures in excess of that amount—including any expenditures of opioid claims-related monies—are subject to legislative appropriation. Statute further requires the Attorney General to submit an expenditure plan for review by the Joint Legislative Budget Committee prior to spending any monies from the Consumer Remediation Subaccount, whether related to opioid claims or not, and regardless of if the expenditure comes from appropriated or non-appropriated monies.

One Arizona Agreement
As a condition for certain "incentive" payments established within the national opioid settlements, states were required to guarantee that the settling manufacturers or distributors would not be party to further litigation from political subdivisions of the state with which the manufacturers or distributors were settling. In many instances, these incentive payments constitute more than 50% of the state's annual receipts from a given settlement.

To meet the qualifications for these maximum incentives, the State of Arizona, 90 cities and towns, and all 15 counties signed the One Arizona Opioid Settlement Memorandum of Understanding in August 2021, which allowed the resolution of national settlements (including the release of claims against the settling manufacturers or distributors) to apply in the same manner to each local government.

Table 2

One Arizona Distribution of 56% Share of Opioid Receipts among Counties

County	% of Local Government Share
Apache	0.690%
Cochise	1.855%
Coconino	1.688%
Gila	1.142%
Graham	0.719%
Greenlee	0.090%
La Paz	0.301%
Maricopa	57.930%
Mohave	4.898%
Navajo	1.535%
Pima	18.647%
Pinal	3.836%
Santa Cruz	0.370%
Yavapai	4.291%
Yuma	2.008%

The One Arizona Agreement allocates 44% of all opioid claims-related receipts from national settlements to the state, and the remaining 56% to the local government signatories. The local government share is allocated proportionally to each of the 15 counties according to various metrics measuring that jurisdiction's share of the total impacts attributable to opioid addiction (see *Table 2*). Each county then retains a percentage of their share of revenues (again determined by the same opioid impact metrics) and passes the remainder on to the cities and towns within that county.

The One Arizona Agreement also defines allowable uses of monies received from opioid settlements through the agreement. These allowable uses are subdivided into the categories of Treatment, Prevention, and Other Strategies, and outline a broad list of approximately 100 potential approaches to using opioid settlement monies to remediate the impacts of opioid abuse.

Other Settlement Agreements
The state has also received a total of $21.5 million in opioid settlement monies not governed by the One Arizona Agreement. In February 2021 (6 months prior to the One Arizona Agreement), Arizona signed a $13.4 million final consent judgment with McKinsey and Co., a consulting firm that previously advised Purdue Pharmaceuticals on the advertising and sale of opioids. These monies were distributed to non-profit organizations and local and tribal governments as grants to support opioid abatement efforts. Additionally, in February 2024, the state signed an $8.1 million final consent judgment with Publicis Health, another consulting firm that formally worked with Purdue Pharmaceuticals. Because both the McKinsey and Publicis agreements were structured outside of the standard national opioid settlement framework and did not include settlements with local subdivisions, they are not governed by the One Arizona Agreement. The Publicis monies, however, have since been comingled with other opioid claims-related monies in the Consumer Remediation Subaccount.

Annual Payments to the State
Between FY 2023 and FY 2025, the Attorney General reported opioid claims-related revenues of $148.2 million governed by the One Arizona Agreement. In December 2025, the Attorney General further estimated total FY 2026 revenues of $40.9 million, which would bring total opioid claims-related revenues subject to the One Arizona

Agreement to $189.1 million. This amount represents the state's 44% share of opioid revenues allocated to Arizona, with the remaining 56% being distributed among the 15 counties and their local governments. After further accounting for the $8.1 million in Publicis Health settlement monies, and the $13.4 million in McKinsey settlement monies, the state is expected to have received $210.6 million in opioid settlement monies through the end of FY 2026. The Attorney General further estimates that remaining opioid settlement revenues from December 2025 through the remaining lifetime of all settlements (through FY 2041) will be approximately $354.5 million (see *Appendix A*).

As part of the 2023 national opioid settlement against Teva Pharmaceuticals, settling states could exercise the option of taking delivery of naloxone (an emergency opioid overdose reversal medication) instead of a portion of that state's monetary compensation (the monetary option is equivalent to 25% of the "wholesale acquisition value" of the naloxone offering). Since 2024, Arizona has received 27,721 units of nasal naloxone each year. The Attorney General must renew this option every 2 years, or may switch to monetary relief at that time. According to the AG's office, the state renewed its naloxone option in 2026, and plans to continue receiving naloxone through the 10-year lifetime of the Teva settlement. As noted in *Table 1* above, the state continues to receive a smaller monetary settlement from Teva Pharmaceuticals in addition to the provision of naloxone. Additional non-monetary settlements with Hikma Pharmaceuticals and Amneal Pharmaceuticals resulted in the delivery of 15,027 units of Naloxone in FY 2026, and an additional 8,428 in each of FY 2027 through FY 2029.

Historical Expenditures of State Opioid Settlement Revenues

Since FY 2023, the Legislature has appropriated $231.0 million of opioid claims-related monies held by the Attorney General for various approved purposes (see *Table 3*).

Table 3

Historical Appropriations of State Opioid Settlement Revenues

Fiscal Year	Amount	Notes
2023	5,000,000	Opioid Abatement – Distributed as grants to 18 non-profit organizations, 2 local governments, 1 medical provider, and 1 marketing firm for an awareness campaign.
2024	75,000,000	ADC Transfer – The FY 2025 budget included a $75.0 million supplemental to the Arizona Department of Corrections (ADC) to be used for approved settlement purposes.
2024	12,000,000	Opioid Abatement – $11.5 million for grants to Cochise, Coconino, Mohave, Pima, and Yavapai counties to supplement existing expenditures for coordinated reentry planning services programs. $500,000 for governmental child and family advocacy centers.
2025	40,000,000	ADC Transfer – Transfer to ADC to be used for approved settlement purposes.
2025	5,000,000	Veterans Substance Abuse Treatment Grants – Grants to organizations that treat opioid use disorder in conjunction with judicial substance abuse treatment programs. The AG did not distribute this amount, and the monies reverted.
2025	3,000,000	DEMA Transfer – Transfer to the Arizona Department of Emergency and Military Affairs (DEMA) to expand existing drug interdiction efforts for the purpose of reducing drug trafficking.
2025	1,000,000	DHS Transfer – Transfer to the Arizona Department of Health Services (DHS) to distribute and equip first responders with naloxone.
2026	40,000,000	ADC Transfer – Transfer to ADC to be used for approved settlement purposes.
2026	10,000,000	Coordinated Reentry Planning Services Grants – Distributions of $2.0 million each to Coconino, Mohave, Navajo, Pinal, and Yavapai counties to supplement the counties' existing costs to operate coordinated reentry planning services programs.
2027	40,000,000	ADC Transfer – Transfer to ADC to be used for approved settlement purposes.
TOTAL	**$231,000,000**	

Appendix A

ARIZONA ATTORNEY GENERAL'S OFFICE
Opioid Settlements
Consumer Remediation SubAccount - AG2574

	CASH RECEIPTS													
Settlement Source:	**Distributor (Cardinal Health, McKesson and Amerisource Bergen)**	**Janssen (Johnson & Johnson)**	**Teva**	**Allergan**	**CVS**	**Walgreens**	**Walmart**	**Publicis**	**Kroger**	**Mallinckodt (Bankruptcy)**	**Endo Pharmaceuticals (Bankruptcy)**	**Purdue (Bankruptcy)**	**Secondary Manufacturers**	**TOTAL CASH RECEIPTS**
Actual Revenues														
FY2023	19,840,165.70	15,886,445.36	-	-	-	-	-	-	-	1,599,250.55	-	-		$ 37,325,861.61
FY2024	15,186,830.00	8,780,586.35	2,909,444.09	3,224,120.30	3,590,286.77	6,947,597.19	27,407,618.99	8,148,290.81	-	1,881,471.23	-	-		$ 78,076,245.73
FY2025	10,898,049.33	9,373,255.56	2,960,715.23	3,253,593.86	2,872,508.43	2,794,100.45	-	-	5,483,761.82	-	3,292,738.24	-		$ 40,928,722.92
FY2026 (July - November)	10,898,049.33	-	2,960,715.21	3,253,593.89	5,690,483.25	-	210,252.33	-	-	-	-	-		$ 23,013,094.01
Total Actual Amounts	$ 56,823,094.36	$ 34,040,287.27	$ 8,830,874.53	$ 9,731,308.05	$ 12,153,278.45	$ 9,741,697.64	$ 27,617,871.32	$ 8,148,290.81	$ 5,483,761.82	$ 3,480,721.78	$ 3,292,738.24	$ -	$ -	$ 179,343,924.27
Projected Revenues														
FY2026	-	1,672,894.35	-	-	-	2,794,100.41	-	-	2,778,953.40	-	-	7,557,763.32	3,121,938.61	17,925,650.09
FY2027	10,898,049.33	1,672,894.34	2,960,715.22	3,253,593.88	5,590,483.25	2,794,100.41	210,252.33	-	2,778,953.40	-	-	2,558,814.89	659,851.31	33,377,708.36
FY2028	8,948,906.75	1,672,894.32	2,960,715.22	3,185,141.44	5,640,421.94	2,846,615.53	210,252.33	-	2,778,953.40	-	-	3,170,918.92	659,851.31	32,074,671.16
FY2029	12,817,419.04	2,129,887.11	2,960,715.22	3,185,141.44	5,358,624.44	2,846,615.52	-	-	2,778,953.40	-	-	2,877,244.04	659,851.31	35,614,451.52
FY2030	12,817,419.04	2,129,887.11	2,878,840.54	3,185,141.44	5,076,826.97	4,153,496.74	-	-	2,741,880.89	-	-	1,440,274.13	465,163.73	34,888,930.59
FY2031	12,817,419.04	2,129,887.11	2,878,840.54	-	5,072,354.70	4,153,496.74	-	-	2,741,880.89	-	-	2,309,784.78	465,163.73	32,568,827.54
FY2032	10,774,334.25		2,878,840.54	-	5,072,354.70	4,153,496.74	-	-	2,741,880.89	-	-	2,598,148.95	465,163.73	28,684,219.80
FY2033	10,774,334.25		2,878,840.54	-	-	4,153,496.74	-	-	2,741,880.89	-	-	2,114,311.33	465,163.73	23,128,027.48
FY2034	10,774,334.25	-	2,878,840.54	-	-	4,153,496.74	-	-	2,741,880.89	-	-	2,190,623.65	465,163.73	23,204,339.80
FY2035	10,774,334.25	-	2,878,840.54	-	-	4,153,496.74	-	-		-	-	1,967,319.99	123,552.57	19,897,544.09
FY2036	10,774,334.25	-	2,878,840.54	-	-	4,153,496.74	-	-		-	-	2,173,475.75		19,980,147.28
FY2037	10,774,334.25	-	-	-	-	4,153,496.74	-	-		-	-	2,173,475.75		17,101,306.74
FY2038	10,774,334.25	-	-	-	-	-	-	-		-	-	2,173,475.75		12,947,810.00
FY2039	10,774,334.25	-	-	-	-	-	-	-		-	-	4,072,720.60		14,847,054.85
FY2040	-	-	-	-	-	-	-	-		-	-	4,072,720.60		4,072,720.60
FY2041	-	-	-	-	-	-	-	-	-	-	-	4,147,970.12		4,147,970.12
Total Projected Amounts	$ 144,493,887.20	$ 11,408,344.35	$ 29,034,029.44	$ 12,809,018.20	$ 31,811,066.00	$ 44,509,405.79	$ 420,504.66	$ -	$ 24,825,218.05	$ -	$ -	$ 47,599,042.56	$ 7,550,863.76	$ 354,461,380.01
Total Settlement (actual and projected amounts)	**$ 201,316,981.56**	**$ 45,448,631.62**	**$ 37,864,903.97**	**$ 22,540,326.25**	**$ 43,964,344.45**	**$ 54,251,103.43**	**$ 28,038,375.98**	**$ 8,148,290.81**	**$ 30,308,979.87**	**$ 3,480,721.78**	**$ 3,292,738.24**	**$ 47,599,042.56**	**$ 7,550,863.76**	**$ 533,805,304.28**

SOURCE: Attorney General's Annual Consumer Remediation Subaccount Opioid Report - A.R.S. § 44-1531.02(E)