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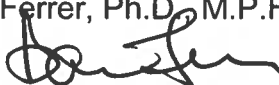
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August 21, 2024

TO: Each Supervisor

FROM: Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director 

SUBJECT: **FUNDING ALLOCATIONS RELATED TO OPIOID SETTLEMENTS REPORT (BOARD AGENDA OF AUGUST 8, 2023, ITEM 26)**

This report is in response to the August 8, 2023, Board motion instructing the Director of the Department of Public Health (DPH), in consultation with the Department of Health Services (DHS), the Department of the Medical Examiner (DME), and LA County Fire Department (Fire), to provide an annual report to the Board describing the impact of the programs funded by the national settlements with opioid manufacturer Janssen Pharmaceuticals/Johnson and Johnson (J&J Settlement) and with McKesson, AmerisourceBergen, and Cardinal Health (Distributors Settlement). The table below shows a summary of program expenditures during the 2023-2024 Fiscal Year, and it is followed by descriptions of each program funded, implementation impact, and next steps.

Table: Financial Expenditures During Fiscal Year 2023-2024 for Both J&J and Distributors Settlements

J&J Settlement			
Program	Funding	FY23-24 Expenditures	Rollover to FY 24-25
DHS - Housing for Health (HFH) Populations	\$1,200,000	\$0.00	\$1,200,000
DPH - Electronic Health Records (EHR)	\$2,300,000	\$2,300,000	\$0.00
DME - Staffing and equipment for opioid death (OPD)	\$1,000,000	\$0.00	\$1,000,000
Fire - Fire Dispatch and Paramedic (FDP) Operations	\$1,000,000	\$1,000,000	\$0.00

Distributors Settlement			
Program	Funding	FY23-24 Expenditures	Rollover to FY 24-25
DPH – SPA-Based Coalitions (SBC)	\$500,000	\$0.00	\$500,000.00
DPH - Naloxone and Harm Reduction (NHR)	\$2,000,000	\$306,678.11	\$1,693,321.89
DPH - Recovery Bridge Housing (RBH)	\$3,000,000	\$2,999,990.00	\$10.00
DPH - Positive Youth Development (PYD)	\$1,000,000	\$398,792.34	\$601,207.66
DPH - MAT Expansion and Consultation Line (MEC)	\$2,000,000	\$0.00	\$2,000,000.00
DPH - Administrative Oversight and Reporting (AOR)	\$350,000	\$122,301.87	\$227,698.13
DHS - Harm Reduction and Other (HRO) SUD	\$2,261,000	\$0.00	\$2,261,000.00

Programs Funded by J&J Settlement

Department of Health Services (DHS) – Housing for Health (HFH) Populations

Funds from the opioid settlement will support expansion of overdose prevention and harm reduction services for people experiencing homelessness (PEH) in partnership with community partners and other Los Angeles County Departments. Programming directed toward PEH populations are focused on the following areas: direct services, including distribution of naloxone, fentanyl test strips and other supplies through community providers, hospitals and clinics, access to Medications for Addiction Treatment, referrals for other health services, capacity building and community engagement.

Implementation Impact

The DHS Harm Reduction Division (HRD) is in the process of implementing programming utilizing Opioid Settlement Funding. Two drug checking programs were effective as of July 1, 2024.

Implementation Next Steps

One DHS program has been submitted to the Homeless Emergency Portal for expedited Work Order Solicitation release. A second Scope of Work was submitted to the Homeless Emergency Portal on June 11, 2024, for expedited processing as a sole source contract and a third work order was submitted on June 26, 2024, also for sole source contracting. Once all Scopes of Work are executed, HRD will have fully contracted out its Opioid Settlement Funding.

Department of Public Health (DPH) – Electronic Health Record (EHR)

The Opioid Settlement Funds support enhancements to the electronic health record used by DPH’s Bureau of Substance Abuse Prevention and Control (DPH-SAPC), called Sage,

and supports enhancements needed for data sharing between the specialty substance use disorder (SUD) system and other systems, consistent with the goals under CalAIM.

Implementation Impact

DPH-SAPC fully spent down this allocation through its contract with its EHR vendor, Netsmart, to support data exchange consistent with new state standards (e.g., Fast Healthcare Interoperability Resources [FHIR]) required under CalAIM. Once completed, SAPC will be positioned to better support data exchange with DHS, DMH, managed care plans, and other partners via the LANES Health Information Exchange. SAPC will also be able to ensure appropriate patient access to their own health information, as required under CalAIM as well.

Implementation Next Steps

DPH-SAPC will continue to work with Netsmart and collaboratively with DMH to expand the FHR capabilities of the Sage and IBHIS EHR systems. DPH-SAPC will be finalizing the scope of work and contract with LANES to enable data exchange when appropriate consents for SUD data are in place. Lastly, DPH-SAPC will be implementing a patient portal for patients to have access to their personal health information, as required by CalAIM.

Department of the Medical Examiner (DME) – Staffing and Equipment for Opioid Deaths (OPD)

Opioid Settlement Funds are used to reimburse staffing and equipment needs related to opioid deaths, including:

1. Supporting OSF Core Strategies (Schedule A), Item I [Evidence-Based Data Collection and Research Analyzing the Effectiveness of the Abatement Strategies], these funds support evidence-based data collection, surveillance, and research analyzing the effectiveness of the abatement strategies.
2. Related to Part III: Other Strategies, support opioid abatement research, these analytics will be critical to provide toxicology information related to fatal overdoses to the Los Angeles County comprehensive overdose surveillance efforts.
3. Historically, DHS and DPH rely heavily on data from the DME data to inform, improve, and enhance SUD/ODU treatment programs and education, outreach and prevention services. As the National Institutes of Health (NIH) states*, DME data, including the characterization of opioid overdose death, help to identify meaningful subgroups of opioid users as well as to improve surveillance efforts and inform targeted public health programming.

As technology advances, there is the ability to detect a greater variety of novel psychoactive substances, and this funding enables DME to provide the local health agencies (including DPH and DHS) with such data. This, in turn, will improve the health agencies' ability to better respond to the ongoing opioid crisis at the local level. Local health agencies' programs are deeply informed by DME data sources. Without these

more robust data sets from DME, health care organizations will not be able to create robust, responsive, and localized programs and services.

Implementation Impact

No expenditures were incurred during FY 23-24. The DME is in the process of implementing programming utilizing Opioid Settlement Funding (below).

Implementation Next Steps

QTOF Instrument Board Letter was scheduled for the August 6, 2024, Board Agenda. A purchase order will follow. Request to purchase seven vehicles was submitted on 6/12/24 and are awaiting delivery for:

- (4) 2024 Ford Bronco Sports (\$144,767.19)
- (1) 2024 Ram Promaster Cargo Van (\$59,095.60)
- (2) Ford Transit Cargo Vans (\$122,947.04)

Replacement of surgical lights at Autopsy Stations has been completed and is pending invoicing.

- (19) Ceiling Mounted LEDs (\$157,036.91.)

Los Angeles County Fire – Fire Dispatch and Paramedic (FDP) Operations

Opioid Settlement Funding was used to fund Fire Department dispatch, paramedic operations and one-time equipment to respond to opioid-related calls.

Implementation Impact

All allocated funds were used to dispatch fire, paramedic, and one-time equipment to respond to opioid-related calls. Funds were used to cover a portion of the February 2024 actual salaries and employee benefits expenditures for Fire Captain, Fire Fighter, Fire Fighter Specialist and Fire Dispatcher II based on the percentage of opioid calls for the period of 2/18/24 through 3/18/24.

Implementation Next Steps

As all allocated funds were exhausted in FY 23-24, Fire was unable to develop the “Advanced Provider Response Unit (APRU) MAT Program” or the “Leave Behind Naloxone” programs.

Programs Funded by Distributor Settlement

Department of Public Health (DPH) – Service Planning Areas (SPA) – Based Coalitions

Funds SPA-based coalitions within DPH-SAPC’s prevention network to identify needed policy and practice changes that reduce the risks associated with opioid use. Coalitions will also be supported to provide community-based programming that increases education and awareness of the risks and harm associated with opioids through pharmacy engagement; branded educational materials; and community partnerships with school districts,

community-based organizations, and other organizations. This expansion supports the abatement and prevention of opioid use disorders, as well as other substance use disorders.

Implementation Impact

Opioid Settlement Funding was not utilized during FY 23-24. The DPH-SAPC Prevention Services Division is in the process of implementing programming for SPA-based coalitions using this funding source.

Implementation Next Steps

Contracts will be implemented through either an open and competitive solicitation process and/or sole source contracting process to award funding to community-based organization(s). DPH-SAPC will pursue expedited contracting through the Homeless Emergency Portal.

Department of Public Health (DPH) – Naloxone, Harm Reduction and Other SUD Programming

Opioid Settlement Funds will support additional expansion of DPH-SAPC's contracted harm reduction services, which require flexible dollars, as federal dollars have restrictions related to harm reduction services and supplies. These funds will support the expansion of DPH-SAPC's Engagement and Overdose Prevention Hubs, which offer a suite of harm reduction services including mobile outreach and engagement, syringe exchange, naloxone, fentanyl test strips, medications for addiction treatment, safer supplies, and referrals to needed physical and behavioral health services.

Implementation Impact

New contracts with five harm reduction agencies and augmentations of three existing harm reduction agencies were executed in May 2024, and this funding resulted in 2,198 harm reduction service encounters with an estimated distribution of 2,296 doses of naloxone, 1,641 fentanyl test strips, 34,083 sterile syringes, and 507 wound care kits during FY 23-24.

Implementation Next Steps

DPH-SAPC will continue to optimize harm reduction funded through Opioid Settlement Funding and in future fiscal years will apply the full allotment to harm reduction service expansion in collaboration with other Departmental partners (including DHS) and community-based organizations. Given the timing of contract execution for the opioid-settlement funded components of this program, we expect to see increases in harm reduction service encounters and supplies in future years. DPH-SAPC will continue to provide an annual report back on the impact of the programs funded by the board approved spending plan.

Department of Public Health (DPH) – Recovery Bridge Housing (RBH)

Funds expansion of DPH-SAPC contracted Recovery Bridge Housing beds, defined as peer-supported housing providing a safe interim living environment for patients who are homeless and concurrently participating in outpatient type treatment setting. This expansion supports care for individuals with SUD, particularly priority populations such as PEH, and efforts to address the need to expand bed capacity in partnership with the City of Los Angeles.

Implementation Impact

During FY 23-24, 1,383 unique individuals were served across DPH-SAPC's RBH network. The RBH network consisted of approximately 1,400 beds, of which 150 were funded by the Opioid Settlement Funds. The \$3 million allocated for RBH was fully expended in FY 23-24.

Implementation Next Steps

DPH-SAPC continues to expand RBH bed capacity to ensure PEH with SUD have a safe interim housing option available to continue their recovery while obtaining stable long-term housing.

Department of Public Health (DPH) – Positive Youth Development (PYD)

The Opioid Settlement Funding supports expansion of DPH's Positive Youth Development programming focused on opioid prevention, including but not limited to, expansion of the Student Wellbeing Centers and establishing peer leadership programs for youth both inside and outside of schools. This expansion supports the abatement and prevention of opioid use disorders, as well as other substance use disorders.

Implementation Impact

During FY 23-24, three (3) contracted Youth Educators were hired, facilitating the expansion of hours of operations at Student Wellbeing Centers on high school campuses to address the social, emotional, and health needs of young people throughout the county. The Youth Educators help create a youth-friendly, safe space on school campuses where students can receive health-affirming services and the support they need to lead successful, and healthy lives. Additionally, a contracted Epidemiologist was onboarded to support the development and implementation of a data tracking system and to track data for services provided at Student Wellbeing Centers to facilitate quality improvement and assurance efforts. Additionally, an Invitation for Bid was issued to secure a contract with a Fiscal Intermediary to support the expansion of the Peer Health Advocates and Healthy Schools programs.

Implementation Next Steps

DPH has worked with the CEO to secure allocation of permanent County items for the ten (10) Youth Educators and one (1) Epidemiologist. Staff will be recruited and trained to support expanded hours of operation in existing Student Wellbeing Centers as well as creation of additional Student Wellbeing Centers. Additionally, the solicitation for the contract for the Fiscal Intermediary to support the expansion of the Peer Health Advocates and Healthy Schools programs is near completion and is slated to be presented to the Board for their approval on October 8, 2024. We remain committed to continued

partnership with school districts to expand positive youth development programming in K-12 schools across Los Angeles County.

Department of Public Health (DPH) – MAT Expansion and Consultation Line

Opioid Settlement Funds will be used to expand MAT services within DPH-SAPC's specialty SUD system to improve access to these evidence-based services and enhance treatment outcomes. Funding for the MAT Consultation Line operated by DHS will also serve as an important resource for DPH-SAPC's specialty SUD system to initiate low threshold MAT with follow-up prescribing at specialty SUD sites.

Implementation Impact

No expenditures were incurred during FY 23-24. DPH-SAPC is in the process of implementing this programming utilizing Opioid Settlement Funding. Contracts were completed during FY 23-24 with the contracted agencies executing these programs, but program staffing was not in place prior to the end of this fiscal year.

Implementation Next Steps

DPH-SAPC will work with the contracted agencies to recruit the requisite staff and begin programming supported with Opioid Settlement Funding in accordance with their contracted scope of work during FY 24-25. DPH-SAPC will continue to provide an annual report back on the impact of the programs funded by the board approved spending plan.

Department of Public Health (DPH) – Administrative Oversight and Reporting (AOR)

Opioid Settlement Funds support administration of settlement funding which require coordination among various involved County Departments and community stakeholders to adhere to legal requirements around compliance, financial tracking for reversion deadlines, reimbursement of funds to Departments and mandated reporting requirements related to the opioid settlements. This funding also allows for reimbursement for legal costs and other one-time costs.

Implementation Impact

The expenditure reporting for the FY 22-23 Opioid Settlement Fund has been successfully completed and received approval from the Department of Health Care Services (DHCS). DPH's Finance team has managed these funds across the various involved Departments, coordinating quarterly surveys with DPH-SAPC, DHS, DME, and Fire. Furthermore, DPH Finance facilitated the approval of program descriptions with DHCS, ensuring that the expenditures are aligned with the intended use of Opioid Settlement Funding. In total, DPH Finance processed \$7,127,762.32 in claims reimbursements for FY 23-24 program activities managed by DPH-SAPC and the Fire Department.

Implementation Next Steps

Looking ahead to FY 24-25, we plan to submit our FY 23-24 expenditure report to DHCS by September 30, 2024. DPH Finance will continue its collaboration with the Treasurer & Tax Collector and Auditor-Controller to ensure that the Opioid Settlement Funds are properly coded and allocated within DPH's accounts. Additionally, we will remain

committed to supporting DPH-SAPC, DHS, DME, and Fire with their fund utilization needs throughout FY 24-25.

Department of Health Services (DHS) – Harm Reduction and Other (HRO) SUD

Opioid Settlement Funds expand and increase access to Overdose Prevention, Harm Reduction and other supportive services managed by DHS to improve the health and well-being of people who use drugs and their communities. Funds will support direct services, including distribution of naloxone, fentanyl test strips and other supplies through community providers, hospitals and clinics, access to Medications for Addiction Treatment, referrals for other health services, capacity building, and community engagement.

Implementation Impact

The DHS Harm Reduction Division (HRD) is in the process of implementing programming utilizing Opioid Settlement Funding. Two drug checking programs have already been in effect since July 1, 2024.

Implementation Next Steps

One program has been submitted to the Homeless Emergency Portal for expedited Work Order Solicitation release. A second Scope of Work was submitted to the Homeless Emergency Portal on June 11, 2024, for expedited processing as a sole source contract, and a third work order was submitted on June 26, 2024, also for sole source contracting. Once all Scopes of Work are executed, HRD will have fully contracted its Opioid Settlement Funding.

Next Steps

DPH will continue to lead the coordination of this report back to the Board of Supervisors on Opioid Settlement Funding annually, with the next report back due in August 2025.

If you have any questions or would like additional information, please let me know.

BF:gt

Cc: Chief Executive Office
County Counsel
Department of Health Services
Department of Medical Examiner
Los Angeles County Fire Department