

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 594

(Senator Ellis)

Finance

Health and Government Operations

Public Health - Use of Opioid Restitution Fund and Training Under the
Overdose Response Program

This bill repeals the explicit delineation of certain authorized uses of the Opioid Restitution Fund (ORF) and instead specifies that ORF may only be used to provide funds for the purposes specified in settlement agreements and judgments relating to claims by the State against the opioid industry for violations of State law. The bill establishes that these purposes may include addressing racial disparities in access to prevention, harm reduction, treatment, and recovery support services. The bill also alters training on responding to an opioid overdose – that the Maryland Department of Health (MDH) may provide under the Overdose Response Program (ORP) – to include emphasizing the restoration of breathing, avoiding withdrawal, and compassionate post overdose support and care. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: The bill primarily alters the purposes for which existing ORF funds may be used to align with the allowable uses under the National Settlement Agreement. No existing programs are affected under the bill. As such, there is no material fiscal or operational impact on MDH with respect to ORP.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill repeals the *explicitly delineated* authorized uses of ORF relating to providing funds for programs, services, supports, and resources for evidence-based substance use disorder (SUD) prevention, treatment, recovery, or harm reduction.

Current Law:

Opioid Restitution Fund

Chapter 537 of 2019 established ORF, a special fund to retain any revenues received by the State relating to specified opioid judgments or settlements, to be used only for 11 delineated opioid-related programs and services. Chapter 270 of 2022 further specifies how ORF may be used – such that any of those originally delineated purposes must be a purpose of programs, services, supports, and resources for *evidence-based* SUD prevention, treatment, recovery, or harm reduction. These delineated purposes are:

- improving access to overdose-reversal medications;
- supporting per support specialists;
- increasing access to medications that support recovery from SUDs;
- expanding the Heroin Coordinator Program;
- expanding access to crisis beds and residential treatment services;
- expanding and establishing safe stations, mobile crisis response systems, and crisis stabilization centers;
- supporting the behavioral health crisis hotline;
- organizing education campaigns to prevent opioid use;
- enforcing the laws regarding opioid prescriptions and sales;
- research regarding and training for substance use treatment and overdose prevention; and
- supporting and expanding other evidence-based interventions for overdose prevention and substance use treatment.

Chapter 270 further specifies that ORF may also be used for:

- *evidence-informed* SUD prevention, treatment recovery, or harm reduction pilot programs or demonstration studies that are not evidence based if the advisory council determines that emerging evidence supports funding or that there is a reasonable basis for funding with the expectation of creating an evidence-based program and approves the use of money for the pilot program or demonstration study; and

- evaluations of the effectiveness and outcomes reporting for SUD abatement infrastructure, programs, services, supports, and resources for which the fund is used.

Chapters 851 and 852 of 2024 authorize ORF to be used to support community-based nonprofit recovery organizations that provide nonclinical substance abuse recovery support services in the State.

Overdose Response Program

ORP allows for opioid overdose reversal drugs approved by the federal Food and Drug Administration (FDA) to be offered to specified individuals – free of charge – by multiple providers, programs, and entities. Subject to the limitations of the State budget, MDH must purchase and provide FDA-approved opioid overdose reversal drugs, at no cost, to the entities who may provide the reversal drugs only if MDH provides them.

MDH may authorize private or public entities to conduct education and training on opioid overdose recognition and response that includes (1) education on recognizing the signs and symptoms of an opioid overdose; (2) training on responding to an opioid overdose, including the administration of FDA-approved opioid overdose reversal drugs; and (3) access to opioid overdose reversal drugs and the necessary supplies for the administration of the opioid overdose reversal drug. Individuals are not required to obtain the specified training and education on opioid overdose recognition and response from a private or public entity before a pharmacist may dispense an FDA-approved opioid overdose reversal drug.

For more information on ORF, opioids, and substance use treatment in Maryland, see **Appendix – Opioid Crisis**.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 729 (Delegate Rosenberg, *et al.*) - Health and Government Operations.

Information Source(s): Maryland’s Office of Overdose Response; Maryland Department of Health; Office of the Attorney General; Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2025
rh/jc Third Reader - March 17, 2025
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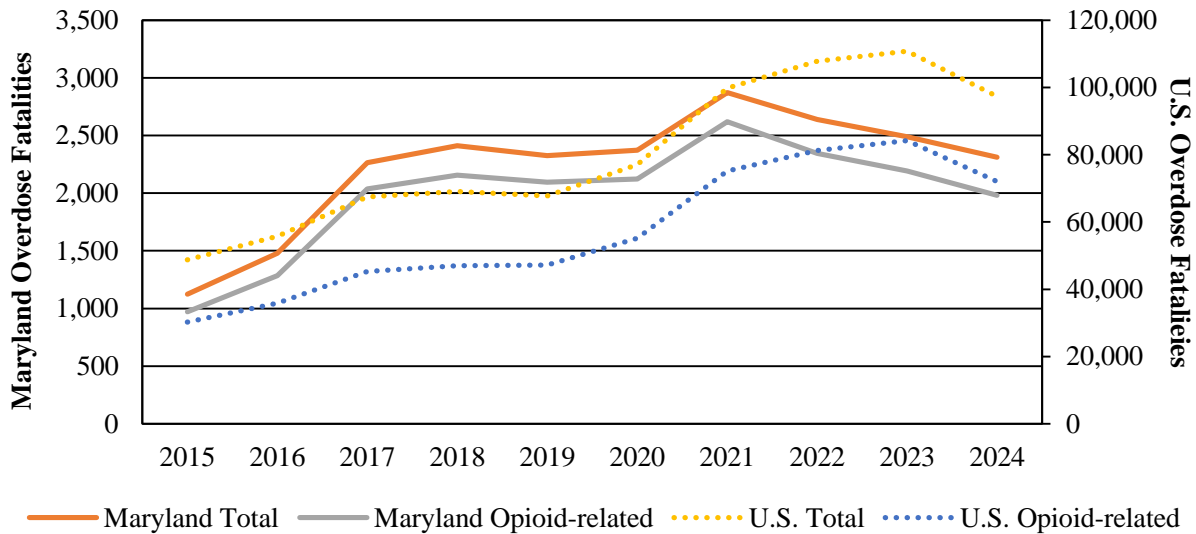
Appendix – Opioid Crisis

Opioid Overdose Deaths

Between April 2015 and April 2024, 22,286 individuals died from overdose in Maryland. Approximately 89% of the deaths involved opioids, and 73% involved synthetic opioids excluding methadone (primarily fentanyl). During the same period, 801,436 individuals died from overdoses nationally, with 71.5% of those fatalities involving opioids. Since 2021, there has been a gradual decrease in overdose deaths both in Maryland and nationally.

According to preliminary data covering April 2023 through April 2024, overdose deaths have decreased in both the United States and Maryland by approximately 1.9% and 2.4%, respectively. However, overdose fatalities remain high. **Exhibit 1** shows the number of overdose fatalities recorded in a 12-month period (April to April) in Maryland and the United States from 2015 to 2024.

Exhibit 1
Overdose Fatalities in Maryland and the United States
April 2015 to April 2024



U.S.: United States

Note: Data for 2022-2024 is preliminary.

Source: Centers for Disease Control and Prevention; Department of Legislative Services

In Maryland, disparities in overdose fatalities persist across race, age, gender, and jurisdiction. Statewide, Black men, particularly those aged 55 and older, have the highest overdose fatality rate, which is nearly double that of white men, the group with the second highest overdose fatality rate. Across race groups, more than twice the number of males die by overdose compared to females, and individuals aged 55 and older comprise the highest number of overdose deaths among each race and gender category except for white females. The Maryland Overdose Response Advisory Council voted in June 2024 to reinstate the Racial Disparities in Overdose Task Force to study the causes of racial disparities and recommend solutions.

Although opioid overdose fatalities are problematic statewide, the greatest concern is in Baltimore City. Between calendar 2018 and 2022, Baltimore City experienced an overdose fatality rate nearly twice that of any other U.S. city. According to the Maryland Department of Health (MDH), there were 1,891 overdose-related fatalities across the State from October 2023 to September 2024, of which 846 occurred in Baltimore City, representing approximately 45% of the State's total overdose fatalities but just 9% of the State's population.

Maryland Actions to Address the Opioid Crisis

Legislative Response: The General Assembly has passed numerous bills to address the State's opioid crisis, including prevention, treatment, overdose response, and prescribing guidelines.

- Chapters 573 and 574 of 2017 expand drug education in public schools to include heroin and opioid addiction prevention; require local boards of education to require each public school to store naloxone and other overdose-reversing medication; and require institutions of higher education that receive State funding to establish a policy that addresses heroin and opioid addiction and prevention.
- Chapter 570 of 2017 requires a health care provider to prescribe the lowest effective dose of an opioid and a quantity that is no greater than that needed for the expected duration of pain severe enough to require an opioid that is a controlled dangerous substance, with specified exceptions.
- Chapters 215 and 216 of 2018 require a health care provider to advise a patient of the benefits and risks associated with a prescribed opioid or co-prescribed benzodiazepine.
- Chapter 537 of 2019 establishes the Opioid Restitution Fund (ORF), a special fund to retain any revenues received by the State relating to specified opioid judgments or settlements, which may be used only for opioid-related programs and services.

- Chapter 82 of 2022 requires MDH to adopt a reporting system to monitor the prescribing of medications to treat opioid use disorders (OUDs) in the State, identify and reach out to prescribers who regularly prescribe nonpreferred medications, and identify barriers to individuals who need medication to treat an OUD to obtaining the medication in a timely manner.
- Chapter 224 of 2022 requires the Prescription Drug Monitoring Program to monitor the dispensing of naloxone medication and to maintain confidentiality with regard to naloxone medication data.
- Chapter 239 of 2022 broadens existing requirements and protections relating to the administration or provision of naloxone to encompass any opioid overdose reversal drug approved by the U.S. Food and Drug Administration (FDA) and authorizes specified providers and organizations across the State to offer naloxone free of charge to individual community members.
- Chapter 408 of 2024 requires MDH to report to the legislature each year until 2026 on (1) current opioid overdose reversal drugs approved by the FDA and (2) whether MDH has added each current FDA-approved opioid overdose reversal drug to a standing order.
- Chapter 764 of 2024 expands the Public Access Automated External Defibrillator (AED) Program to include an initiative to locate up to two doses of naloxone with each AED in a public building.
- Chapter 886 of 2024 requires hospitals, beginning January 1, 2025, to establish protocols to provide appropriate care for patients admitted for opioid-related conditions, including overdose, possess specified medication for the treatment of OUD, and treat a patient who presents in an emergency room for opioid-related overdose or emergency medical condition, as specified.

Maryland has a statewide standing order for opioid overdose reversal drugs that authorizes any Maryland-licensed pharmacist to dispense unlimited prescriptions and refills of naloxone and devices for its administration to any individual, as specified. A pharmacist must provide consultation with the individual regarding the naloxone dosage that is most appropriate, select and dispense two doses of naloxone, and provide directions for use. If a patient cannot afford naloxone or related copayments, or does not wish to use insurance coverage, pharmacists are instructed to refer them to the Opioid Response Program, where they can obtain a naloxone kit free of charge.

Legal Actions Related to the Opioid Crisis: In October 2020, the U.S. Department of Justice announced a global resolution of its criminal and civil investigations of opioid manufacturer Purdue Pharma. However, the resolution was subject to approval by the bankruptcy court for the Southern District of New York, which rejected the bankruptcy settlement in December 2021. After multiple rejected settlements, including a \$6 billion settlement rejected by the Supreme Court, in January 2025, Purdue agreed to a \$7.4 billion settlement, which still requires court approval. If the deal proceeds, the Sackler family must also give up ownership of Purdue.

Maryland and a coalition of states were part of the \$21 billion Janssen settlement, a settlement with opioid manufacturer Johnson & Johnson and three of its distributors – McKesson, Cencora (formerly Amerisource Bergen), and Cardinal Health. Maryland's share of the settlement is approximately \$395 million over 18 years.

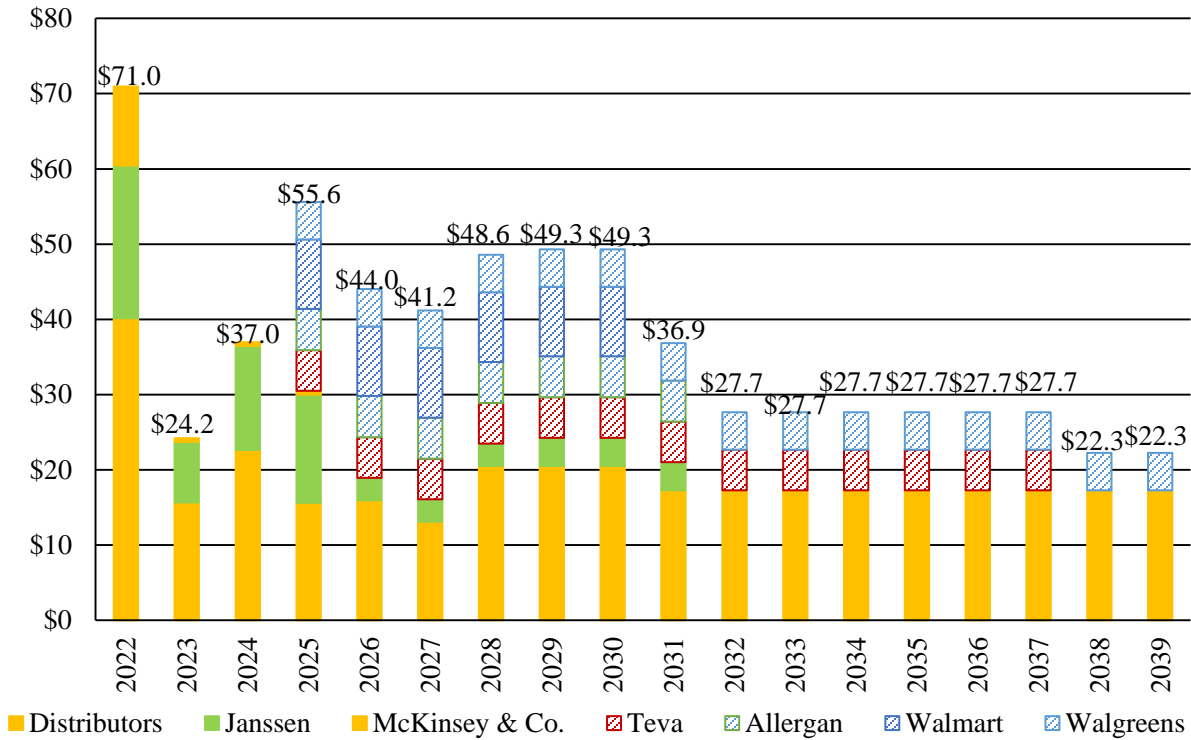
Maryland and several other states also reached a \$573 million settlement with McKinsey & Company in 2021. Maryland's share of the settlement is about \$12.0 million, the final installment of which was received in July 2024. The State was part of several other settlements, including ones with Walmart, Walgreens, Allergan, Teva, and Publicis Health. All settlement revenues are allocated to ORF, as described below.

Opioid Restitution Fund: **Exhibit 2** shows the actual and projected ORF revenue from opioid settlements from fiscal 2022 through 2039, which is expected to total \$668 million.

MDH distributes this funding to local health departments, correctional facilities, and community organizations through block grants and competitive grants, and annually reports its spending to the General Assembly. The ORF Advisory Council meets throughout the year to discuss the best uses of funding and submit recommendations on spending priorities. Per the various settlement agreements, most ORF funding will be expended through competitive grants, and some will be distributed to local governments as block grants through a formula. Some ORF funding is expended at the discretion of the Secretary of Health who, in 2024, committed to distributing all discretionary funds through grants to local governments and organizations.

While each Maryland county will receive block grant funding through ORF, Baltimore City will only receive ORF funds from just one settlement, as it opted out of all other settlements to pursue separate litigation in pursuit of higher award amounts. As of December 2024, Baltimore City has announced approximately \$409.7 million in settlement awards, with additional settlements in progress.

Exhibit 2
Sources of Opioid Restitution Fund Revenue
Fiscal 2022-2039
(\$ in Millions)



Source: Maryland Department of Health; Department of Legislative Services

Funding to Address the Opioid Crisis: Maryland receives federal funding to address opioid misuse and overdose. Active federal grants include the Substance Abuse Block Grant (SABG) to address substance use disorder (SUD) and the State Opioid Response Grant Program targeted to address opioid misuse. MDH distributes SABGs to each jurisdiction for activities related to substance abuse prevention, education, and treatment, including for alcohol. Federal regulations require that 20% of each SABG be directed toward supporting prevention activities.

The fiscal 2026 budget as introduced includes nearly \$492 million for substance abuse treatment programs, overdose response, behavioral health investment, and other substance abuse-related programs. There is \$67.6 million budgeted for ORF, \$10.0 million for the Office of Overdose Response, and \$959,020 for the Lieutenant Governor’s Heroin and Opioid Task Force, all from general funds. The fiscal 2026 budget as introduced also

includes \$78.6 million in general funds invested in the Behavioral Health Administration, which can be used for a variety of purposes, including crisis services, inpatient services, hospital overstay, and SUD prevention and treatment. Lastly, between general funds, special funds, federal dollars, and reimbursable expenditures, there is a total \$334.6 million budgeted for substance abuse-related grant programs, including SABG and the State Opioid Response Grant Program.