

Tennessee State-Subdivision Opioid Abatement Agreement: Summary of 2025 Amendment 6

In addition to being asked to approve a bankruptcy plan for Purdue Pharma and to join a settlement to resolve claims against the Sackler family, Tennessee local governments are being asked to amend the Tennessee State-Subdivision Opioid Abatement Agreement to have the Agreement apply to the Purdue bankruptcy plan and Sackler family settlement. The proposed amendment is summarized below. The participation packet for the Purdue bankruptcy and Sackler settlement being sent to counties and qualifying municipalities by the national settlement administrator, Rubis, will also include a form to approve the amendment. This process for amending the State-Subdivision Agreement is the same as it was for amendments 1-5, which were approved in 2023 and 2024.

(Note: Separate from the materials related to the Purdue/Sackler settlement, this summer local governments will also be asked to join settlements with eight smaller-volume opioid manufacturers. At that time, subdivisions will be able to approve Amendment 7 to the State-Subdivision Agreement, which applies the terms of the Agreement to those settlements. Information on those settlements and Amendment 7 will be provided separately.)

Summary of Amendment 6:

The original and current language in the State-Subdivision Agreement describes the Purdue bankruptcy plan as an example of “Joint Abatement Bankruptcy Plans,” which are addressed in Section V of the agreement. Section V allocates all funds received for abatement programs to the Tennessee Opioid Abatement Fund, rather than being split among the Abatement Fund, the State’s General Fund, and the Subdivisions. For other reasons, last year the U.S Supreme Court voided the Purdue bankruptcy plan that existed at the time the State-Subdivision Agreement was drafted. The new bankruptcy plan takes a different approach in resolving the claims against the Sackler family. This new structure includes an agreement with the Sacklers, the Governmental Entity & Direct Settlement Agreement (“GESA”), that generally follows the settlement agreements with distributors, pharmacies and manufacturers that are defined as “Statewide Opioid Settlement Agreements” in the State-Subdivision Agreement. To address this change, Amendment 6 has abatement/remediation funds from the GESA and the Purdue estate distributions allocated pursuant to Section IV.A, so they will be disbursed the same way as funds for Statewide Opioid Settlement Agreements. The effect of the change is that all Tennessee remediation funds from the Sacklers and Purdue estate disbursements will be split 70% to the Opioid Abatement Fund, 15% to the General Fund, and 15% to the Subdivisions.

Following Page: Text of Amendments

On the next page is the text of Amendment 6, set out as it should appear in the Purdue settlement packet from the national administrator.

Tennessee State-Subdivision Opioid Abatement Agreement – 2025 Amendments

The Tennessee State-Subdivision Opioid Abatement Agreement, previously amended in 2023 and 2024, is further amended as follows:

Amendment 6:

If the overall resolution of claims against Purdue Pharma and the Sackler family includes a Statewide Opioid Settlement Agreement (such as the Governmental Entity & Direct Settlement Agreement (“GESA”)), then allocation of all abatement/remediation funds received for these claims shall be pursuant to Section IV.A of the Agreement, not Section V. Specifically, notwithstanding the references to Purdue in Section V and elsewhere in the initial Agreement language (which referred to a prior bankruptcy plan that is now void), abatement/remediation funds received pursuant to the GESA and pursuant to Purdue estate distributions (which are also addressed by the GESA) shall be allocated pursuant to Section IV.A. of the Agreement.

Note on adoption of amendment:

Amendment 6 shall be effective if approved as set forth in both Section IV.B.2 and VII.D of the Agreement.