S.B. No. 1827

AN ACT

relating to the creation of the opioid abatement account, an opioid abatement trust fund, and a statewide opioid settlement agreement.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Chapter 403, Government Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. STATEWIDE OPIOID SETTLEMENT AGREEMENT

Sec. 403.501.  DEFINITIONS. In this subchapter:

(1)  "Account" means the opioid abatement account established by Section 403.505.

(2)  "Council" means the Texas opioid abatement fund council established by Section 403.503 to manage the distribution of money allocated to the council from the opioid abatement trust fund in accordance with a statewide opioid settlement agreement.

(3)  "Fund" means the opioid abatement trust fund established by Section 403.506.

(4)  "Released entity" means an entity against which a claim is released under a statewide opioid settlement agreement.

(5)  "Statewide opioid settlement agreement" means all settlement agreements and related documents entered into by this state through the attorney general, political subdivisions that have brought a civil action for an opioid-related harm claim against an opioid manufacturer, distributor, or retailer, and opioid manufacturers, distributors, or retailers relating to illegal conduct in the marketing, promotion, sale, distribution, and dispensation of opioids that provide relief for this state and political subdivisions of this state.

(6)  "Trust company" means the Texas Treasury Safekeeping Trust Company.

Sec. 403.502.  SETTLEMENT RECORDS. The attorney general and comptroller shall maintain a copy of a statewide opioid settlement agreement, including any amendments to the agreement, and make the copy available on the attorney general's and comptroller's Internet websites.

Sec. 403.503.  TEXAS OPIOID ABATEMENT FUND COUNCIL. (a)  The Texas opioid abatement fund council is established to ensure that money recovered by this state through a statewide opioid settlement agreement is allocated fairly and spent to remediate the opioid crisis in this state by using efficient and cost-effective methods that are directed to regions of this state experiencing opioid-related harms.

(b)  The council is composed of the following 14 members:

(1)  six regional members, appointed by the executive commissioner of the Health and Human Services Commission, who are from academia or the medical profession with significant experience in opioid interventions and who each are appointed to represent one of the following groups of regional health care partnership regions:

(A)  regions 9 and 10;

(B)  region 3;

(C)  regions 11, 12, 13, 14, 15, and 19;

(D)  regions 6, 7, 8, and 16;

(E)  regions 1, 2, 17, and 18; and

(F)  regions 4, 5, and 20;

(2)  four members who are current or retired health care professionals holding or formerly holding a license under Title 3, Occupations Code, with significant experience in treating opioid-related harms and who are appointed as follows:

(A)  one member appointed by the governor;

(B)  one member appointed by the lieutenant governor;

(C)  one member appointed by the speaker of the house of representatives; and

(D)  one member appointed by the attorney general;

(3)  one member who is employed by a hospital district and is appointed by the governor;

(4)  one member who is employed by a hospital district and is appointed by the attorney general;

(5)  one member appointed by the governor and who is a member of a law enforcement agency and has experience with opioid-related harms; and

(6)  one nonvoting member who serves as the presiding officer of the council and is the comptroller or the comptroller's designee.

(c)  In making appointments under Subsection (b)(1), the executive commissioner of the Health and Human Services Commission shall appoint members from a list of two qualified candidates provided by the governing bodies of counties and municipalities that:

(1)  brought a civil action for an opioid-related harm against a released entity;

(2)  released an opioid-related harm claim in a statewide opioid settlement agreement; and

(3)  are located within the regions for which the member is being appointed.

(d)  In making appointments under Subsection (b), the governor, lieutenant governor, speaker of the house of representatives, and attorney general shall coordinate to ensure that the membership of the council reflects, to the extent possible, the ethnic and geographic diversity of this state.

(e)  The council is administratively attached to the comptroller. The comptroller shall provide the staff and facilities necessary to assist the council in performing its duties.

Sec. 403.504.  COUNCIL OPERATION. (a)  A council member is not entitled to compensation for council service but is entitled to reimbursement for actual and necessary expenses incurred in performing council duties.

(b)  The council may hold public meetings as necessary to fulfill its duties under this subchapter.

(c)  The council is subject to Chapters 551 and 552.

Sec. 403.505.  OPIOID ABATEMENT ACCOUNT. (a)  The opioid abatement account is a dedicated account in the general revenue fund administered by the comptroller.

(b)  The account is composed of:

(1)  money obtained from a statewide opioid settlement agreement and deposited in the account under Section 403.507;

(2)  money received by the state from any other source resulting directly or indirectly from an action by the state against an opioid manufacturer, an opioid distributor, or another person in the opioid industry relating to a violation of state or federal law on the manufacture, marketing, distribution, or sale of opioids, other than money distributed to a political subdivision of the state in accordance with the terms of a settlement agreement or judgment;

(3)  money appropriated or transferred to the account by the legislature;

(4)  gifts and grants contributed to the account; and

(5)  earnings on the principal of the account.

(c)  Money in the account may be appropriated only to a state agency for the abatement of opioid-related harms.

(d)  A state agency may use money appropriated from the account only to:

(1)  prevent opioid use disorder through evidence-based education and prevention, such as school-based prevention, early intervention, or health care services or programs intended to reduce the risk of opioid use by school-age children;

(2)  support efforts to prevent or reduce deaths from opioid overdoses or other opioid-related harms, including through increasing the availability or distribution of naloxone or other opioid antagonists for use by health care providers, first responders, persons experiencing an opioid overdose, families, schools, community-based service providers, social workers, or other members of the public;

(3)  create and provide training on the treatment of opioid addiction, including the treatment of opioid dependence with each medication approved for that purpose by the United States Food and Drug Administration, medical detoxification, relapse prevention, patient assessment, individual treatment planning, counseling, recovery supports, diversion control, and other best practices;

(4)  provide opioid use disorder treatment for youths and adults, with an emphasis on programs that provide a continuum of care that includes screening and assessment for opioid use disorder and co-occurring behavioral health disorders, early intervention, contingency management, cognitive behavioral therapy, case management, relapse management, counseling services, and medication-assisted treatments;

(5)  provide patients suffering from opioid dependence with access to all medications approved by the United States Food and Drug Administration for the treatment of opioid dependence and relapse prevention following opioid detoxification, including opioid agonists, partial agonists, and antagonists;

(6)  support efforts to reduce the abuse or misuse of addictive prescription medications, including tools used to give health care providers information needed to protect the public from the harm caused by improper use of those medications;

(7)  support treatment alternatives that provide both psychosocial support and medication-assisted treatments in areas with geographical or transportation-related challenges, including providing access to mobile health services and telemedicine, particularly in rural areas;

(8)  address:

(A)  the needs of persons involved with criminal justice; and

(B)  rural county unattended deaths; or

(9)  further any other purpose related to opioid abatement authorized by appropriation.

(e)  Section 404.071 does not apply to the account.

Sec. 403.506.  OPIOID ABATEMENT TRUST FUND. (a) The opioid abatement trust fund is a trust fund established outside of the state treasury for the purposes of this subchapter that is administered by the trust company. The trust company may authorize money from the fund to be invested with money from the state treasury.

(b)  The fund consists of:

(1)  money obtained under a statewide opioid settlement agreement and deposited in the fund under Section 403.507; and

(2)  interest, dividends, and other income of the fund.

(c)  The trust company shall:

(1)  distribute to counties and municipalities to address opioid-related harms in those communities an amount equal to 15 percent of the total amount of money obtained under a statewide opioid settlement agreement and distributed to the fund and the account under Section 403.507; and

(2)  allocate an amount equal to 70 percent of the total amount of money obtained under a statewide opioid settlement agreement and distributed to the fund and the account under Section 403.507 as follows:

(A)  $5 million of the amount distributed to the fund to the Texas Access to Justice Foundation to be expended only on the order of the Supreme Court of Texas for the purpose of providing basic civil legal services to indigent persons directly impacted by opioid-use disorders, including children who need basic civil legal services as a result of opioid-use disorders by a parent, legal guardian or caretaker; and

(B)  the remainder of that 70 percent to the council.

(d)  The trust company shall distribute money allocated under Subsection (c)(2) at the direction of the council.

(e)  The council shall provide to the trust company an annual forecast of money deposited and withdrawn from the fund and provide updates to the forecast as appropriate to ensure the trust company is able to achieve the council's directives.

(f)  In investing money from the fund and subject to the council's direction, the trust company has the same investment authority with respect to the fund as the comptroller has under Sections 404.0241(a) and (c) with respect to the economic stabilization fund.

Sec. 403.507.  DEPOSIT AND ALLOCATION OF SETTLEMENT MONEY; EFFECT OF BANKRUPTCY. (a)  Money obtained under a statewide opioid settlement agreement must be deposited as provided by this section and further allocated in accordance with the settlement agreement.

(b)  Of money obtained under a statewide opioid settlement agreement:

(1)  15 percent shall be deposited into the account; and

(2)  85 percent shall be deposited into the fund.

(c)  For the purposes of a statewide opioid settlement agreement in relation to a bankruptcy plan for a released entity, money is distributed in accordance with the bankruptcy plan.

Sec. 403.508.  COUNCIL ALLOCATION OF MONEY. (a) Of the money allocated to the council under Section 403.506(c)(2), the council shall allocate:

(1)  one percent to the comptroller for the administration of the council and this subchapter;

(2)  15 percent to hospital districts; and

(3)  the remaining money based on the opioid abatement strategy developed by the council under Section 403.509.

(b)  The comptroller may spend money from the fund for purposes of Subsection (a)(1). If the comptroller determines that the allocation under that subdivision exceeds the amount that is reasonable and necessary for the comptroller to administer the council and this subchapter, the comptroller may reallocate the excess money in accordance with Subsection (a)(3).

Sec. 403.509.  COUNCIL POWERS AND DUTIES AND COUNCIL-APPROVED OPIOID ABATEMENT STRATEGY. (a)  The council shall:

(1)  determine and approve one or more evidence-based opioid abatement strategies that include:

(A)  an annual regional allocation methodology to distribute 75 percent of money distributed under Section 403.508(a)(3) based on population health information and prevalence of opioid incidences as provided by law; and

(B)  an annual targeted allocation to distribute 25 percent of money distributed under Section 403.508(a)(3) for targeted interventions as identified by opioid incidence information;

(2)  wholly or partly reallocate the targeted money between regions if a region for which targeted money is allocated is unable to use all of the targeted money;

(3)  develop an application and award process for funding;

(4)  review grant funding applications and provide grant awards and funding allocations;

(5)  monitor grant agreements authorized by this subchapter and require each grant recipient to comply with the terms of the grant agreement or reimburse the grant to the council; and

(6)  determine the percentage of money that may be used for development of education and outreach programs to provide materials on the consequences of opioid drug use and prevention and intervention, including online resources and toolkits.

(b)  The council may reallocate money between regions based on the funding needs of all regions if money allocated to a region lapses or is not used in the year that the money is allocated for use in the region.

(c)  To approve any decision or strategy, at least four of the members appointed under Section 403.503(b)(1) and four of the members appointed under Sections 403.503(b)(2)-(5) must approve the decision or strategy.

Sec. 403.510.  REPORT. Not later than October 1 of each year, the council shall submit a written report to the legislature detailing all expenditures made by the council during the preceding state fiscal year.

Sec. 403.511.  RULEMAKING. The council may adopt rules to implement this subchapter.

SECTION 2.  The individuals responsible for appointing the Texas opioid abatement fund council under Section 403.503, Government Code, as added by this Act, shall make all appointments under that section not later than the 60th day after the effective date of this Act.

SECTION 3.  The comptroller of public accounts is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the comptroller may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

SECTION 4.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.

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I hereby certify that S.B. No. 1827 passed the Senate on April 28, 2021, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 29, 2021, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    Secretary of the Senate

I hereby certify that S.B. No. 1827 passed the House, with amendments, on May 24, 2021, by the following vote: Yeas 143, Nays 0, one present not voting.

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Approved:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_             Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_           Governor