Bond Case Briefs

Municipal Finance Law Since 1971

Local Governments Seek Negotiating Power in Opioid Lawsuit.

COLUMBUS, Ohio — Lawyers suing over the toll of opioids asked a judge Friday to allow a structure for all 25,000 municipal and county governments in the U.S. to be paid — if a settlement can be reached with companies that make and distribute powerful prescription painkillers.

The approach, if approved, would create dueling negotiating systems as state governments are also in collective settlement negotiations with the drug industry.

The unified approach on behalf of municipalities would also help the manufacturers and distributors by defining a finalized group of entities benefiting from a settlement, said Joseph Rice, a South Carolina-based attorney representing local governments in the complaint.

"If you're a corporation trying to address this problem, you need to get closure, you need to put it behind you," Rice said in an interview Friday. "If you're going to put significant resources into the resolution, you've got to know it's behind you. The only way to do that is to get releases from everybody that's got a potential claim."

The action would also help address a problem that is widespread and reaches across city and county lines, Rice said. Providing assistance from a settlement to one county doesn't help the people in a neighboring town, he said.

"These pills have wheels, they move around," Rice said, citing the documented cases of pain pills obtained in Florida being taken to West Virginia.

The motion filed Friday requests the creation of a negotiating class "for the specific purpose of creating a unified body to enter into further negotiations with defendants," according to the filing. "It is neither aimed at being the vehicle for litigation or settlement."

Hundreds of local governments and other entities, such as hospitals, have accused pharmaceutical companies of downplaying the addictive nature of opioids and prescription painkillers largely blamed for one of the deadliest drug crises in U.S. history. Opioids include prescription and illicit drugs.

The complaints are being overseen by Cleveland-based U.S. District Judge Dan Polster. He previously ruled that lawsuits filed by the Ohio counties of Cuyahoga, which includes Cleveland, and Summit County, which includes Akron, will be heard first this October.

A trial on claims made by West Virginia's Huntington and Cabell counties will be next, followed by Cleveland and Akron's claims.

The Centers for Disease Control and Prevention says opioids are the main driver of drug overdose deaths. Opioids were involved in 47,600 overdose deaths in the U.S. in 2017, according to the agency.

Attorneys general fighting for compensation in separate legal actions are likely to have mixed reactions to the filing, said Paul Nolette, a Marquette University political scientist.

With the lone exception of Nebraska, every state has sued, filed administrative charges or promised to sue the companies blamed for the national crisis, which played a role in the deaths of more than 390,000 Americans from 2000 through 2017.

On one hand, the move could complicate things for the states, which see themselves as negotiating both on their behalf and communities within the state, said Nolette, who studies attorneys general. On the other, some may welcome the pressure that a giant class of communities puts on drug makers and distributors to settle.

Many municipalities felt left out of states' 1998 \$200 billion-plus settlement with tobacco companies, Nolette said, especially after some states diverted their share to fill budget holes instead of paying for anti-smoking programs.

"At least in this litigation, the municipalities are saying, 'No, that's not good enough.' We want our own voice," Nolette said.

Sign Up for The Daily Newsletter

Every Friday, get an exclusive look at how one of the week's biggest news stories on "The Daily" podcast came together.

In Ohio, the state has sued drug makers and distributors in separate court actions. Attorney General David Yost on Friday called communities' request for their own negotiating class "an extraordinary process and a novel approach."

"We're examining it very closely to make sure it is fair and appropriate for Ohioans and complies with the law," Yost said in a statement.

By The Associated Press

June 14, 2019

Associated Press writer Geoff Mulvihill in New Jersey contributed to this report.

Copyright © 2024 Bond Case Briefs | bondcasebriefs.com