

# OPIOID DEATHS DROP AS INITIAL SETTLEMENT FUNDS ARE DISTRIBUTED

*The state of Wisconsin and 87 local governments have begun to spend funds they have received from opioid settlements, which has brought \$208 million into the state so far and will total roughly \$780 million by 2038. Meanwhile, recent data show overdose deaths in Wisconsin have begun to decrease for the first time in decades, a promising sign as the state now looks to expand programming to prevent and treat opioid usage.*

Opioid deaths in Wisconsin fell in June 2024 to their lowest level since April 2020, according to provisional federal data measuring deaths over the previous 12 months.

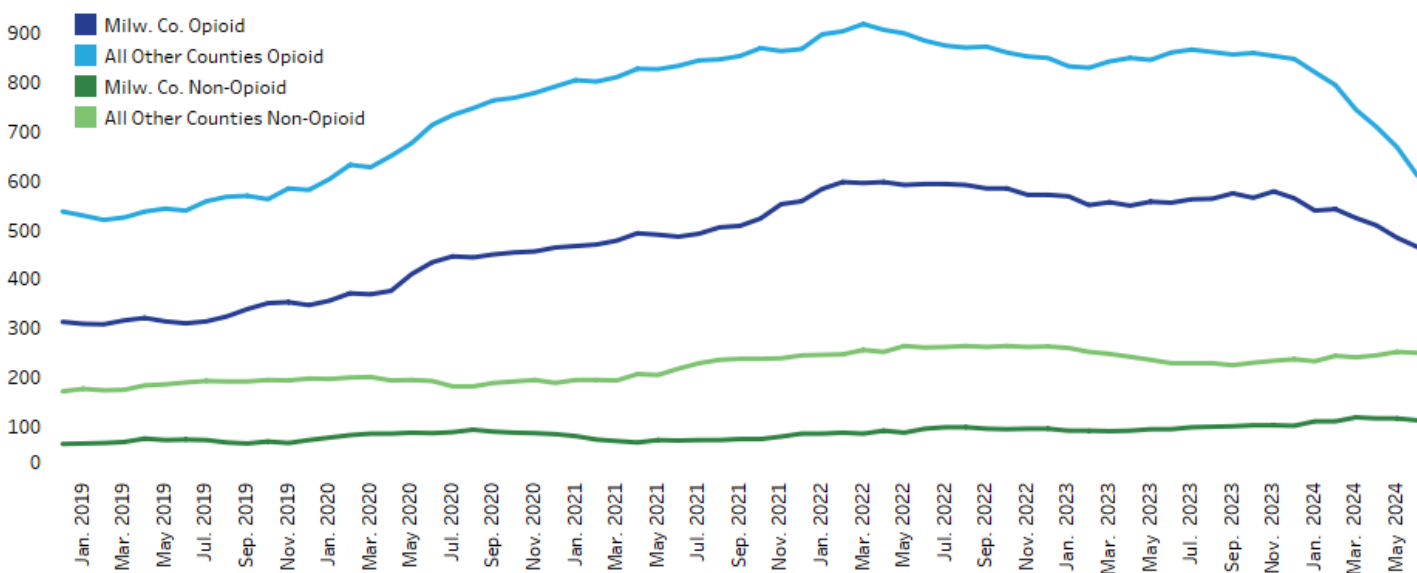
The most recent statewide count from the U.S. Centers for Disease Control and Prevention (CDC) shows 1,075 opioid overdose deaths during the 12 months ending in June 2024 (see Figure 1). These figures remain daunting and could still be revised, and deaths have not fallen as rapidly in Milwaukee County as they have in the balance of the state. If they hold, however, they would indicate a continued downward trend in opioid deaths that started toward the end of 2023 – not just in Wisconsin, but nationwide.

For [decades](#), prescription opioids accounted for the largest share of overdose deaths of any substance, but in the mid-2010s, deaths from synthetic opioids – primarily fentanyl – skyrocketed to surpass those from prescription drugs. The recent drop in overdose deaths likely has multiple causes. But it may be possible to build on this positive trend through state and local spending that is financed through settlements with pharmaceutical manufacturers, retailers, and distributors.

From 2022 to 2038, Wisconsin is set to receive around \$780 million from the settlements. According to the Wisconsin Department of Health Services (DHS), the state [had received](#) \$75.3 million by the end of 2024, of

**Figure 1: Opioid Overdose Deaths Plummet Statewide**

Rolling total of overdose deaths within previous 12 months, Dec. 2018 to June 2024, by substance and county (Milwaukee versus other WI)



Source: Centers for Disease Control and Prevention. Data from January 2023 onward is provisional.



which \$64.4 million (85.6%) had been allocated but only \$15.4 million (24.0%) had been spent. Meanwhile, local governments in Wisconsin had received almost \$123 million by the end of 2024, according to the [directing administrator](#) of those funds.

In this brief, we examine opioid deaths and also use the state reporting to show how Wisconsin and its 87 local governments who were party to the litigation have begun to spend these funds. We first lay out how funds are distributed and the policies that govern this spending before delving more deeply into specific uses of opioid settlement funds.

## WISCONSIN'S OPIOID SETTLEMENT POLICIES

In 2021, a large group of state and local governments reached settlements with three pharmaceutical distributors of opioids and Johnson & Johnson, a manufacturer, that were meant to resolve ongoing litigation and investigations brought against these companies. In 2022, CVS, Walmart, Walgreens, and two more manufacturers also agreed to settlements. In addition, five other entities have agreed to payouts through national settlements, states-only settlements, or bankruptcy. In total, almost \$57 billion [will be distributed](#) across the country. At least 85% (or more, depending on the agreement) of that total [“must be used](#) for abatement of the opioid epidemic.”

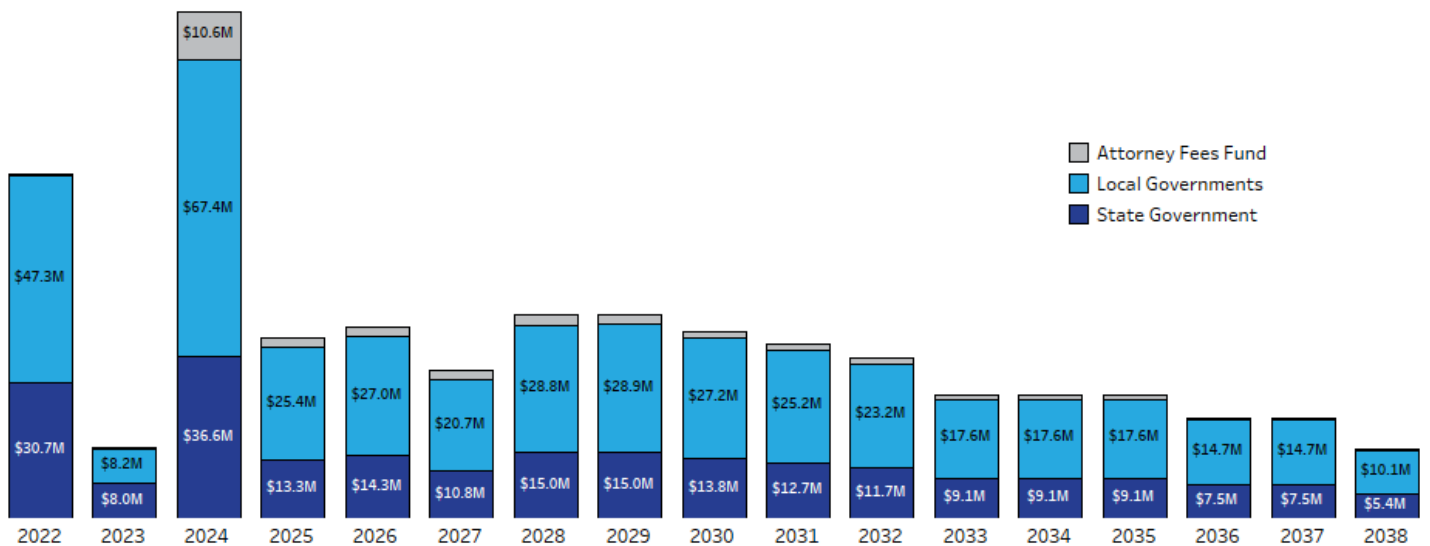
Passed in the summer of 2021, [Wisconsin Act 57](#) determined how the state and local governments that had signed onto the litigation could receive and spend their settlement dollars. Three in every ten dollars will go to the state health department, while the remaining 70% will go to local governments.

Data from [BrownGreer](#) – the firm serving as directing administrator for the national opioid settlement – provides the best estimate of how funds will be distributed in Wisconsin over time. As shown in Figure 2, 2024 and 2022 were the years in which the largest amounts of funding were delivered to Wisconsin governments over the lifetime of the settlements. The funds will continue to be received over a long time period, however, with more than \$250 million set to be delivered in 2030 and after.

Local government beneficiaries include 71 of the state’s 72 counties (all except Polk) as well as 16 municipalities in Douglas, Kenosha, Marinette, Milwaukee, and Racine counties. To receive settlement dollars, local governments had to join litigation on or before June 1, 2021. From the 70% split, one-fifth of that amount (14% of the total settlement) is set aside in an Attorney Fees Fund to compensate the plaintiffs’ lawyers, while the rest is distributed based on a [formula](#) applied to all settlement fund dollars that considers a locality’s population and how it has been impacted by the opioid epidemic. Milwaukee County will receive by

**Figure 2: Settlement Fund Distribution Skewed Towards Earliest Years**

Paid, allocated, and projected payments to Wisconsin governments from seven main settlement entities, 2022 to 2038\*



Source: BrownGreer National Opioid Official Settlement data. \*Includes settlement funds from litigation with opioid distributors, Johnson & Johnson, Allergan, Teva, CVS, Walgreens, and Walmart. Does not include funds from settlements with McKinsey and Publicis; does not include funds from bankruptcies of Mallinckrodt and Endo; does not include pending Kroger settlement; does not include all funds paid out to local governments that went directly into attorney fees.



far the largest proportion of local dollars at 25.2%, followed by Dane County (8.2%), the city of Milwaukee (7.8%), and Waukesha County (6.0%).

## HOW WISCONSIN'S SETTLEMENT FUNDS ARE BEING SPENT

There is not yet spending data available for most of Wisconsin's local governments that are party to opioid settlement dollars. Key informants we interviewed noted that counties and municipalities might have spent 2023 determining where best to devote their resources, as opposed to immediately spending their settlement allotments. These governments have also been hesitant to spend initially, as they have been working to finalize various opioid-related revenue streams and do not want to spend what they do not have. This May, each local government will have to report on its 2024 settlement fund uses due to requirements that were built into Act 57; this reporting will likely give a better sense of local government uses of opioid settlement funds.

The settlement funds received by the state by the end of 2024 represented only a fraction of the total amount Wisconsin ultimately will receive. As noted above, \$64.4 million of the \$75.3 million the state had received was allocated and \$15.4 million had been spent. According to officials at DHS, the department determined where best to use funds through a combination of feedback from a wide range of impacted communities, monitoring

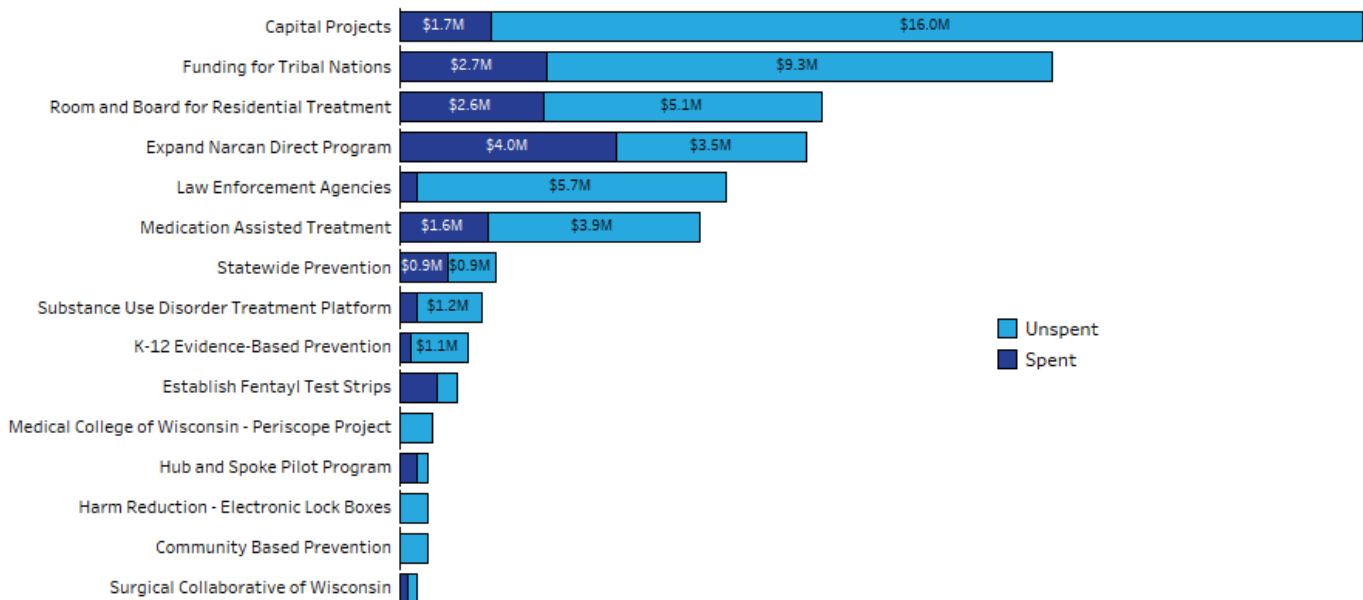
of state and national data, and other evidence-based practices. Ultimately, however, the Legislature's Joint Finance Committee determined how opioid dollars would be spent.

State reporting provides insight into how funds are being used by DHS (see Figure 3):

- So far, the state has devoted the largest share (27.5%) of its funds to **capital projects at or for treatment facilities**. Arbor Place in Menomonie and Meta House in Milwaukee each received \$4.91 million to add a combined 80 treatment beds and requisite services for women, many of whom are pregnant, postpartum, or parenting. Two more capital projects in Milwaukee County and northeastern Wisconsin have been funded within the last year. An ongoing question for healthcare providers and community nonprofits who receive capital funds will be whether they have the capacity to operate facilities once they are built or expanded.
- Wisconsin's 11 federally recognized **tribal governments** have received a total of \$12 million to use on prevention, treatment, recovery, harm reduction, health care, and more in their communities.
- Nearly \$7.5 million has gone to the **Narcan Direct Program and its expansion**. In 2022

**Figure 3: Early Opioid Settlement Dollars Fund Variety of Programs**

Uses of settlement funds distributed to the WI Department of Health Services as of the end of 2024



Source: Wisconsin Department of Health Services, FY 2025 Q2 Quarterly Report to Joint Committee on Finance



alone, 135 law enforcement agencies spanning the state received a combined 31,560 doses of Narcan, the brand name of naloxone, which can immediately reverse an opioid overdose. Additional state dollars went to provide **fentanyl test strips** (\$1.1 million). These resources are meant for use by opioid users and individuals most likely to witness an overdose, and in some cases are [made available in public spaces](#) such as libraries, community centers, and fire and police stations through the use of vending machines.

- DHS set up a **grant program for law enforcement agencies** around the state. Grants are awarded to keep those with opioid dependencies out of jail or treat them while in jail, train staff on addiction medications, and support and develop community drug disposal systems.
- The state provided counties and tribal governments around the state with \$7.8 million to cover **room and board costs for Medicaid members in residential opioid treatment**. While Medicaid might cover aspects of that treatment, federal law prohibits coverage for room and board, which is a major disincentive for individuals who might otherwise use this level of care.

Each of these projects was funded in state fiscal year 2025, which will run until June 30. Reporting from [DHS](#) also shows new uses, like data collection, monitoring and reporting; a public awareness campaign; and maintaining profiles of Wisconsin-based substance use treatment providers on a public website.

As previously noted, Milwaukee County is set to receive the largest amount of settlement funds across all Wisconsin local governments. After netting out fees for attorneys, the county expects to receive around \$102 million over the nearly two-decade timespan of the settlement. As seen in Figure 1, opioid overdose deaths in Milwaukee County are falling, but at a slower rate than deaths in all other counties combined; 43.3% of all Wisconsin opioid overdose deaths in the year ending in June 2024 occurred in Milwaukee County, the largest share since at least the beginning of 2019.

The county used a comprehensive application process and a panel of expert reviewers to approve \$16.5 million for 15 projects in an initial “cohort” for three

fiscal years (2023 to 2025). The largest of these projects was a \$4.8 million effort to provide prevention, treatment, and harm reduction grants to community-based organizations that target historically underserved, marginalized, or adversely affected groups in Milwaukee. Other projects focused on harm reduction, project coordination, delivery of services to vulnerable populations such as the elderly or homeless, or new staffing or materials for various county agencies.

A second cohort funded \$8.5 million for seven new projects in the three fiscal years starting in 2024. Beyond general system enhancements, the largest project in this cohort was a \$2.4 million effort to expand Mobile-Integrated Health, allowing [fire departments around the county](#) to respond with the necessary resources when they receive a call for an individual experiencing an overdose.

The state, Milwaukee County, and other settlement recipients also have to consider how to spend funds knowing that they will diminish over time and run out after 2038. Milwaukee County officials are currently working to set up data systems to monitor the efficacy and reach of their projects, and are working closely with numerous county agencies so that when settlement funds run out, those agencies can divert operating revenues toward best practices. For example, Milwaukee County’s Office of Emergency Management received funds to create a [dashboard](#) that provides a deeper level of detail and visibility to Emergency Management Services calls for suspected overdoses. Knowing where and when overdose incidents are occurring in Milwaukee County will allow policymakers to better target education, resources, and interventions. Similarly, state officials note their work with communities to prepare them to sustain themselves once funds are no longer available.

## CONCLUSION

The downward trend in opioid overdose deaths in Wisconsin since late 2023 is welcome news after they previously had increased for decades. Now, the state will have around \$780 million to spend through 2038 on measures meant to continue pushing that trend in the right direction. According to the administrator for the national opioid settlement, over \$208 million of that total has made it to the state, and it is being spent on overdose prevention and treatment in ways that are



tailored to the needs of individual communities and regions across the state.

One charge for policymakers – especially early on in the life of these one-time funds – will be to examine which programs and policies have the greatest effect on driving down opioid usage and overdose deaths locally, and why. That may be difficult to determine. Some [research](#) shows, for example, that the nationwide decrease in overdose deaths might be more attributable to changes in the fentanyl supply that make it both less potent and less available. The nature of illicit opioids – what form they come in, what non-opioid substances are mixed in, and more – changes over time, and this can impact outcomes and programming such as the number of overdoses, efficacy of certain treatments, and more.

State leaders note that the number and geography of overdose deaths are metrics they use to help determine program success, in addition to testimony from communities throughout the state. Should a program in Wisconsin prove locally beneficial, lawmakers or local officials could choose to direct funding to that program via the budget process, sustaining it after settlement funds have run out. Those officials may wish to remember, however, that a variety of local and national factors might impact which programs and policies are most effective at combatting opioids abuse over time.

Early data show that settlement funds have already been put to use by law enforcement, corrections institutions, human services agencies, health departments and more. Policymakers should continue to seek out stories of success, as state and local agencies tailor their approach to the opioid epidemic to best meet the needs of Wisconsin residents.

