

Opioid Settlement Funding: Update

Kevin Gabbert,
Behavioral Health Clinical Policy Director, Iowa HHS

May 20, 2026

Brief History: How we got here

The Opioid Crisis was a Perfect Storm

- Questionable research and data as to the safety of prescription opioids
- Irresponsible marketing and distribution practices of these medications
- Overprescribing to individuals

The good news...although hindsight is 20/20, it doesn't mean those that are responsible shouldn't and aren't being held accountable

Settlements (to date)

Entity	Start	Amount	Timeframe
McKinsey	2021	\$4,677,279	5 years
McKesson, Cenorca, Cardinal Health	2022	\$142,887,526	18 years
Janssen/J&J	2022	\$33,174,044	9 years
Mallinckrodt	2023	\$2,470,612	2 years
Publicis	2024	\$2,549,804	2 years
Teva	2024	\$26,876,465	13 years
Allergan	2024	\$15,999,097	7 years
Walmart	2024	\$20,050,843	1 year
Walgreens	2024	\$38,507,370	15 years
CVS	2024	\$35,404,752	10 years
Endo	2025	\$2,337,181	1 year
Total (current)		\$324,934,973	

Developing a Settlement Plan for Iowa

- The Office of the Iowa Attorney General initially assumed responsibility for representing the interests of Iowa in multiple multi-state opioid abatement cases, in addition to distribution of funding.
- In determining how the settlement funds received will be utilized in Iowa, in 2021 the AG's Office entered into in-state mediation discussions with the Iowa State Association of Counties. As a result, it was determined that funds received as part of the national opioid settlements would be divided evenly between the state (50 percent), and Iowa counties (50 percent)
- Following the 89th General Assembly, [HF 2573](#) was signed into law by Governor Reynolds. This legislation transitioned oversight of opioid settlement funds awarded to the state to the General Assembly and created the Opioid Settlement Fund.
- The problem was, there wasn't a plan on how the state's portion of the opioid settlement funds could be accessed or used.

Use of OSF by counties

- Unlike the State, the counties did not have to depend on legislative action to begin utilizing opioid settlement funding.
- With distribution of opioid settlement funding starting in 2023, counties began funding various efforts and initiatives.

County Expenditures: 2023

- Naloxone distribution
- Prevention programs
- Treating opioid use disorder
- Supporting people in treatment and recovery
- Preventing misuse of opioids
- Addressing the needs of those involved in the criminal justice system
- Preventing overdose deaths
- First responders
- Leadership planning
- Travel expenses
- Hiring a peer support specialist
- Administration
- Safety equipment

County Expenditures: 2024

- Naloxone distribution
- Prevention programs
- Addressing the needs of those involved in the criminal justice system
- Training
- Expansion of warm hand-off programs and recovery services
- Prevent overdose deaths and other harms
- Addressing the needs of pregnant or parenting women
- DARE
- Prevention coalitions
- TruNarc
- Travel expenses
- Media
- Locking pill bottles
- Drug court
- Administration
- Data collection and research analysis
- Drug disposal bags

County Expenditures: 2025

- Naloxone distribution
- Prevention programs
- DARE
- Jail-based mentoring
- Warm hand-offs in ED's, law enforcement settings and community locations
- Treatment for incarcerated populations
- Medical sensors in jail
- Lucas devices for county EMS
- Media
- Training
- Phone apps
- Vending machines
- Jail medical detection, treatment and referral
- TruNarc
- Jail ministry
- Hidden in Plain Sight trailer
- Apex Raman Spectrometer
- County drug court
- People With Lived Experience grants
- Opioid Care Coordinator
- Truck vault to lock opioids
- Data collection

Opioid Settlement Fund Spending: Counties

Unfortunately, the counties have met with some ramp-up delays as many have wrestled with establishing internal processes and general agreement about investment targets, and what is allowable use under the terms of the settlement. This is evidenced by their utilization of funds to date.

- SFY2023: A total of \$15,893,541 was awarded to participating counties. In total, \$694,725 was expended (4.37%).
- SFY2024: A cumulative total of \$36,634,326 was awarded to participating counties. In total, \$1,683,990 was expended (4.59%).
- SFY2025: A cumulative total of \$45,344,788 was awarded to participating counties. In total, \$5,314,849 was expended (11.72%).

Opioid Settlement Fund Spending: State

As previously mentioned, a pathway to accessing the state's portion of the accruing opioid settlement funds had not been established. This changed however during the 91st general assembly and the passage of HF1038.

HF1038 did two different things:

- Dedicated \$29M for specific earmarks.
- Appropriated the remaining funding to HHS and the Attorney General's Office (75% going to HHS and 25% going to the AG's Office), to support opioid abatement.
- Effective through June 30, 2030

Opioid Settlement Fund: Earmarks

Division II of HF1038:

\$26M to 21 different provider organizations, offering a range of opioid-related services. These include:

- Workforce Training Center – Recovery High School
- Expansion of MOUD
- Jail-based Services
- Recovery Café
- Post Overdose Response
- Recovery Community Centers
- Recovery Respite

\$3M to issue a Request For Proposal (RFP) for the development and/or expansion of Recovery Housing services (awarded on November 21, 2025).

Opioid Settlement Fund: 75/25

Division I of HF1038

- In October of 2025, Iowa HHS released the first of two funding opportunities, to support opioid abatement. A total of \$7M was made available (max of \$1M per project), with 10 projects being funded.
- In March of 2026, the Office of the Attorney General released a funding opportunity to support opioid abatement. A total of \$20M is being made available through June 30, 2030, with applications being reviewed on a rolling basis.
- In April of 2026, Iowa HHS released a second funding opportunity, this time making up to \$10M available (max of \$1M per project). Applications are currently in the review process with an anticipated NOIA date of June 16th.

Eligibility

A variety of entities are eligible to apply as long as the services are aligned with the approved opioid abatement strategies and uses outlined in the national opioid settlements *Exhibit E. List of Opioid Remediation Uses* that were agreed upon by the various defendants and settlement states.



Health and
Human Services

Questions

Kevin Gabbert

Behavioral Health Clinical Policy Director

kevin.gabbert@hhs.iowa.gov

May 20, 2026