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Purdue bankruptcy presents historic opportunity to fund opioid abatement efforts

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Steve Miller
Opinion contributor

Eighteen months to the day since Purdue Pharma filed for bankruptcy, the company has submitted a plan of reorganization that would deliver to communities and individuals more than $10 billion in value, including 100% of the company's assets and $4.275 billion from the Sackler family. The plan has garnered broad support from nearly every creditor constituency in the case. However, if the few creditors not yet on board ultimately block the plan, it will be the communities affected by the opioid crisis that will pay the price.

Approval of Purdue's plan would mark a milestone moment for the public health in our country because it has been structured to guarantee that billions of dollars will go to opioid abatement efforts. The plan establishes a National Opioid Abatement Trust that will distribute funds at the direction of states and localities for use exclusively for abatement programs in their communities. Similar trusts will be set up for the benefit of Native American Tribes and for private creditor groups such as hospitals and families of Neonatal Abstinence Syndrome babies. Each of these trusts will also be required to direct their funds for opioid abatement purposes.

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In addition to the enormous good that can be done with the cash generated by this settlement, the company's assets will also be dedicated to the public interest. Purdue will not emerge from Chapter 11. Rather, its operating assets will be transferred to a new company with a public-minded mission of addressing the opioid crisis. The ongoing revenue from this new company will help fund future abatement efforts, including the development and provision on a not-for-profit basis of innovative medicines to treat addiction and reverse opioid overdoses. Altogether, Purdue's plan will direct an unprecedented amount of resources toward the opioid crisis and do so in a way that prioritizes saving lives.

Compared to the 1998 Tobacco Settlement, where it is estimated that less than 3% of the billions of settlement dollars wound up being used for smoking prevention and tobacco control efforts, the magnitude of what has been achieved can scarcely be overstated. The broad range of stakeholders supporting the plan — a diverse array of governmental entities and private creditor groups — had fiercely competing priorities in the bankruptcy, but each has compromised in the interest of the greater public good. The alternative is years of protracted litigation — including among competing creditors — where recoveries from the company could well be zero.

Purdue's plan is consistent in critical respects with the Principles for the Use of Funds From the Opioid Litigation recently released by a coalition of 31 leading public health organizations, including requiring transparency into how funds are spent, investing in priorities such as access to proven medications like naloxone, and ensuring that underserved urban and rural areas, as well as minority communities, receive equitable access to abatement funds.

The stated purpose of the national opioid litigation was to make billions of dollars accessible to the states, tribes and localities to fight the opioid crisis. Approval of the Purdue plan and confirmation by the bankruptcy court will do just that. It's an historic public health opportunity that cannot be missed.

Steve Miller is the chairman of Purdue.