



# Leveraging Opioid Settlement Dollars

Benefits and Strategies for Health Centers



**Introduction:**

Opioid Use Disorder (OUD) continues to be one of the greatest public health challenges in our communities. Recent data shows a national 2.8% increase in overdose deaths between August 2022 and August 2023.<sup>1</sup> The White House has recently released the [Challenge to Save Lives from Overdose](#) to add to our country's evolving response. The complexity of the issue means that addressing the overdose crisis requires a multi-pronged strategy that includes prevention, harm reduction, treatment and recovery services. Federally Qualified Health Centers (FQHCs) are at the front lines of these efforts, serving over 3.3 million patients with substance use disorder in 2022.<sup>2</sup>

As of February 2022, 48 states have accepted settlement for various lawsuits brought against pharmaceutical opioid distributors and one manufacturer in response to the national opioid and

overdose crisis. Commonly referred to as the "Opioid Settlement funds", approximately \$26 billion have been distributed to states and local governments to support a range of activities addressing the root causes and impact of the opioid crisis. Beyond the [Approved Uses Guidance](#), there is wide latitude for how to use these funds. The national [Opioid Settlement Tracker](#) is a resource that can help Health Centers and Primary Care Associations determine the process for how these funds are allocated and any pathways to influence that process. Housing creation, including supportive housing and recovery housing are cited in the national [settlement agreement](#) as **potential** approved uses. This analysis will focus on how and where funds are being leveraged to support housing access and other services that benefit health center patients.

## **Access to affordable housing integrated with services is an effective stabilizing force for patients with Substance Use Disorder (SUD)**

Recovery from OUD is a concept that is defined by each person suffering from OUD. For many, abstinence from all mood-altering substances is a goal. For others, managing use is the goal. Legal substances, such as alcohol or in many states and localities, cannabis use is allowable in one person's definition of recovery, while not allowable in another person's definition. For this brief's purposes, using a harm reduction perspective, we will use the term recovery to define an individual's potentially evolving choice to navigate a substance use disorder. The specific methods by which states leverage opioid settlement funds for housing and service supports can differ. Foundational values of these efforts

- **Choice** refers to the ability of individuals or households to select from a range of housing options that meet their preferences, needs, and circumstances. This encompasses factors like housing type (e.g., apartment, single-family home), location, amenities, and affordability. Offering choice empowers individuals and families to select accommodations aligned with their lifestyles, fostering autonomy and contentment with their housing situations.
- **Equitable Ease of Access** promotes fairness and inclusivity in the housing system and entails implementing policies and practices that guarantee equitable access to housing opportunities for all individuals, irrespective of their background, socioeconomic status, or any other characteristic. This means creating a housing environment where everyone, regardless of their circumstances, has an equal chance to secure housing that is safe, affordable, and suitable for their needs.
- **Evidence-Based** research and practices are essential for creating successful supportive housing projects that yield favorable outcomes for both residents and the surrounding community. This informed approach ensures that residents receive tailored support and services to promote inclusivity, social cohesion, and housing stability.

<sup>1</sup> [Products - Vital Statistics Rapid Release - Provisional Drug Overdose Data \(cdc.gov\)](#)

<sup>2</sup> HRSA UDS Data 2022 [Table 6A \(hrsa.gov\)](#)

Federally Qualified Health Centers served over 1.3 million homeless patients in 2022<sup>3</sup>. Homelessness and housing instability make it difficult for patients to maintain continuous health care coverage, treatment and follow up care. Patients are also less likely to access or maintain substance use disorder treatment, including Medications for Opioid Use Disorder (MOUD). Best practice highlights a foundational value of **housing choice** that supports an individual's vision of recovery. For example, a person should not be offered Recovery Housing as the only option simply for having a SUD diagnosis, but in most communities, demand for housing far exceeds supply. As Health centers expand SUD treatment services, addressing patient SDOH needs remains difficult due to lack of choice and supply. Models that are commonly or could be included in state's Approved Uses of opioid settlement funds include:

- ✓ [Housing Instability and Homelessness Prevention Programs](#) These programs manage grants to community agencies who assist patients at increased risk of losing their housing. States and local agencies can include various requirements for accessing funds (such as being active in OUD-related services), age ranges or other factors. Funder and community agencies may also be prescriptive on how funds are accessed, such as rules requiring assistance be received only once within a specific time frame, or funds are paid directly to a landlord.
- ✓ [Rapid Re-Housing Model Programs](#) - These programs, commonly found in community's homelessness systems, offer light touch housing related services and rental assistance support. The model is ideal for people who are working and need assistance paying the rent for a short time, as their income is expected to grow. Commonly programs offer rental assistance for between 6 to 18 months. Services that come with the program focus on increasing income and ensuring that a person does not become homeless when the rental subsidy ends.
- ✓ [Recovery Housing](#)- Recovery housing programs offer a group living setting, where patients have goals of an abstinence-based lifestyle and the community supports each other in these goals. Depending upon the funding requirements, people may live in recovery housing for a matter of months, or until they, both from a financial and a recovery perspective, are able to sustain market rate housing or access an affordable housing option.
- ✓ [Supportive Housing](#)- Supportive housing programs offer integrated affordable housing and in-home, assertive supportive services options to patients who need that level of assistance to remain living successfully in the community. Supportive housing tenants have leases and the same rights and responsibilities as other tenants. Supportive housing may be a single site building, a portion of a larger affordable housing development or scattered site. In scattered sites, the program has funding for rental subsidies and rents on the open market.
- ✓ [Affordable Housing](#) - Affordable housing is rental housing in which a person's rent is tied to their income and by HUD standards, housing costs (rent and utilities) are no more than 30% of the household income.



<sup>3</sup> HRSA UDS Data 2022 [Table 4 \(hrsa.gov\)](#)

## ALLOWED USES OF SETTLEMENT FUNDS

Funds are allocated to states based on numerous factors like population, overdose rates, and economic impact of the crisis. Within states, further distribution often involves competitive grants or formula-based allocations to local governments, non-profit organizations, and other entities. These funds can be used for a range of purposes, including Treatment and Rehabilitation, Prevention and Education, Harm Reduction, Law Enforcement and Regulation, Research and Surveillance.

**Financial support for treatment and rehabilitation can be directed towards medical interventions, counseling, peer support, and various community-based services.** The following represent opioid settlement funding eligible uses. All of the below non-housing related services, can be used in alignment with other opioid settlement funding focused on housing or other public or private sector housing related assistance.

- **Counseling and Therapy Services:** Opioid settlement funds can be used to provide counseling and therapy services for individuals in recovery. This may include individual or group therapy sessions and specialized counseling for mental health issues often associated with opioid addiction.
- **Case Management:** States may invest in case management services to help individuals navigate the complexities of recovery and housing stability. Case managers can assist with accessing housing resources, coordinating healthcare services, and addressing other support needs.
- **Vocational Training and Employment Services:** Supporting individuals in recovery often involves helping them reintegrate into the workforce. Opioid settlement funds may be directed towards vocational training programs, resume-building workshops, and job placement services to enhance employment opportunities for those in recovery.
- **Peer Support Programs:** Peer support is a valuable aspect of recovery. Funds can be allocated to establish and maintain peer support programs where individuals who have successfully overcome addiction provide guidance and encouragement to those currently in recovery.
- **Medical and Mental Health Services:** Opioid addiction is often linked to various medical and mental health issues. States may use funds to ensure that individuals in recovery have access to essential healthcare services, including medication-assisted treatment, mental health assessments, and ongoing medical care.
- **Substance Use Disorder Treatment Programs:** Supporting the expansion and improvement of substance use disorder treatment programs is a key component of using settlement funds effectively. This may involve funding for inpatient and outpatient treatment facilities, detoxification services, and medication-assisted treatment.

**The funding can also be utilized to establish and maintain housing options, ensuring patients have a stable environment conducive to recovery such as:**

- **Direct housing rental assistance:** Funds can subsidize rent for individuals with opioid use disorder (OUD) or recovering from addiction, supporting stable housing during treatment and recovery.

- Development of various housing models: Funds can support investment in creating new residential treatment facilities, recovery housing or supportive housing. Funds can modify existing programs or new units can provide safe, affordable housing with wraparound services. Funds can support harm reduction strategies, such as care coordination, syringe service programs (SSP), distribution of naloxone (an opioid overdose reversal drug), and other measures to minimize the negative consequences of opioid use.
- Expansion of existing housing programs: Funds can support existing programs like recovery housing, rapid re-housing, or supportive housing, tailoring them to meet the needs of individuals with OUD. These programs may offer onsite services or may be linked to programs and facilities that provide medical treatment, counseling, and support for individuals struggling with opioid addiction. Housing options may also include initiatives that aim to prevent opioid misuse through educational campaigns, community outreach, and the promotion of responsible prescribing practices.
- Housing-related services: Funding can support services like home remediation, eviction prevention, housing navigation, and landlord engagement to help individuals with OUD secure and maintain stable housing.

### PROCESS FOR DECIDING HOW FUNDS ARE USED

Every state has unique processes and administrative frameworks for using settlement funds. To ensure input, many states are conducting public forums, establishing advisory committees, and seeking out stakeholders to shape decisions regarding funding. Some states have also created online platforms providing details on funding prospects, application procedures, and program advancements. While these structures and processes are still undergoing development, several common components and approaches are emerging to steer planning and spending activities across state and local partners. The following are typical elements included in state plans and protocols for utilizing opioid funds.

- ✓ Creation of Legal Frameworks for Allocating Settlement Funding, Responsibility, and Oversight
- ✓ Creation or Designation of Advisory Committees
- ✓ Coordination across State Agencies, Localities, and Stakeholders
- ✓ Promoting Public Input and Transparency



**Data is being leveraged to pinpoint priority areas and monitor the effectiveness of funded initiatives. State and local strategies include:**

### *Addressing Health Disparities:*

- Focusing on vulnerable populations and channeling resources towards communities disproportionately affected by Opioid Use Disorder (OUD) and housing instability is a strategic approach to mitigating health disparities. The implementation of culturally responsive methods in services and programs is imperative, emphasizing linguistic and cultural appropriateness for diverse populations. The utilization of data-driven decision-making to identify and address the specific needs of marginalized groups ensures the equitable allocation of resources.

### *Incorporating Tiers of Community Engagement:*

- Conducting a community needs assessment to understand the distinct local housing challenges and gaps impacting individuals with Opioid Use Disorder (OUD) is essential. Facilitating community engagement in planning and feedback loops enhances transparency and accountability in addressing these challenges. The involvement of individuals with lived experience of OUD in decision-making processes through Community Advisory Councils is crucial to ensuring the effectiveness of programs in addressing their unique needs.

### *Cultivating Community Strategic Collaboration and Partnerships:*

- Establishing partnerships with housing agencies, healthcare providers, peer support groups, and other stakeholders plays a vital role in crafting comprehensive solutions. Collaborating with local organizations that possess expertise in Opioid Use Disorder (OUD) and housing guarantees that programs are culturally relevant and aligned with the specific needs of the community.

## LEVERAGING SETTLEMENT FUNDS TO BENEFIT HEALTH CENTERS AND PATIENTS

There is a strong need for health centers to understand their local housing landscape, how resources for housing development are allocated and ultimately how to refer patients to resources once screened for instability or homelessness. **Health Centers that want to understand or influence how Opioid Settlement dollars are used can start with reviewing their state's fact sheet on the [National Opioid Settlement Tracker](#).**

The tracker includes fact sheets for each state highlighting:

- State laws or regulations regarding how state funds are being managed. This includes what percentages of funds are supporting the state, localities (regions, cities, or counties) and the state offices that obtained the funds.
- What, if any, regular reporting is required by relevant entities on funding awards, uses and impact.
- What "Approved Uses" the state supports. Most states are referencing the [National Settlement Agreement's Approved Uses list](#) as the foundational list of services that can be offered. This list includes recovery housing, supportive housing and various homelessness prevention strategies as approved uses.

Health centers can join the conversation to influence how opioid funds are being spent in their communities. Partnering with their local public health entities would be a strategic way to advocate for usage of funds that build health equity and address root causes of opioid use, including housing instability. Health centers that are using the [PRAPARE Screening Tool](#) or other type of SDOH Screening tool can share aggregate data regarding the housing needs of those they serve and the health impacts of housing instability. Data would be more helpful as it breaks down needs of different ethnic and racial groups, and specifically summarizes housing needs of those with OUD and receiving treatment

Health centers are a valuable part of the conversation, as they can be specific about which housing models would benefit those they serve and have data to support those cases. Increasingly, [Community Health Needs Assessments](#), with an emphasis on SDOH will highlight the housing need and preferences of those who participate in this assessment. Allies can collaborate to advocate that funding allocations and program choices align with our community's foundational wishes.

## Aligning Opioid Settlement Funding with Supportive Housing Strategies – State Case Examples

### New Jersey

Keeping Families Together (KFT) in New Jersey initially prioritized parents with a history of substance use disorders (SUD). This emphasis originated from an analysis of data within the Department of Children and Families (DCF), revealing a notable prevalence of families with SUD in cases under review by the child welfare system. The extensive coverage of the DCF across the state enabled consideration for utilization of opioid settlement funding to develop interventions with a specific focus on addressing the intersection of homelessness, child welfare, and substance use. Moreover, KFT has consistently prioritized data collection and analysis, building a compelling evidence base that underscores the potential effectiveness of utilizing opioid settlement funds to address substance use issues within KFT families.

### Pennsylvania

In 2023, Philadelphia unveiled a strategic plan to infuse \$7.5 million from national opioid settlement funds into uplifting various facets of the Kensington community. These funds are slated for investments across multiple sectors, including education, public spaces, housing, and foreclosure prevention. Housing assistance programs are being extended to residents grappling with eviction and foreclosure threats. Moreover, residents can access home repair grants of up to \$5,000, facilitating essential maintenance tasks such as windows, doors, locks, roofing, and more. Moreover, resources from the opioid settlement have been designated to bolster community infrastructure, including support for six community parks and six schools.

### Virginia

The New River Valley (NRV) region of Virginia, comprised of four counties and a city, has collaboratively and strategically developed the NRV Recovery Ecosystem program to utilize direct and competitively awarded national opioid settlement funds. The NRV Recovery Ecosystem project aims to provide a holistic approach to addressing the impacts of opioid use disorder in the region and includes housing options for those with and at risk of OUD and unstable housing. Across community stakeholders and leadership involved in the program, the need for safe, stable housing options to support people in recovery was identified as a key strategy for prevention, successful treatment, and long-term recovery. To that end, a Housing Technical Team has been formed to assess the housing needs of people with substance use disorder and guide investments and housing assistance delivery. In the year 2 renewal application for this program, funding was requested to support this team's work, including providing compensation to patients with lived experience to ensure that the work is informed and led by those most impacted by the compounding experiences of homelessness and opioid use disorders. Additional funding has been requested to support pre-development costs for the community's first purpose-built supportive housing project as well as support for an expansion of recovery residences. The community is anticipating further investments in additional projects supporting both transitional and permanent housing options as the work continues.

**Massachusetts**

Since 2021, the Bureau of Substance Addiction Services (BSAS) has been supporting permanent low-threshold housing and services for individuals with substance use disorders. Over this time, BSAS has successfully housed 595 adults through 16 contracted programs statewide, boasting a retention rate exceeding 90%. With the allocation of opioid settlement funds, BSAS aims to broaden the scope of low-barrier recovery housing options and enhance essential support services, such as technology access and transportation, particularly targeting high-risk populations in historically underserved regions. These settlement funds will also facilitate the expansion of BSAS's Triage, Engagement, and Assessment (TEA) Model and Housing Stability programs, incorporating on-site addiction education, non-clinical assessment, and referral services. Moreover, BSAS has extended access to Medications for Opioid Use Disorder (MOUD) by financing five programs across the state to introduce mobile components and/or medication units in areas facing significant demand. Looking ahead, BSAS plans to utilize insights from an Opioid Treatment Program (OTP) Desert Study to guide future funding initiatives, with a focus on assisting individuals, families, and young adults in achieving sustained recovery goals, mitigating the risk of relapse or overdose, and fostering greater self-sufficiency.

**To maintain consistency and alignment with the objectives of the opioid settlement funding, state funders encourage agencies to contemplate the following questions while formulating strategies and initiatives:**

**Allocation of Funds for Housing Stability:** How is the money from opioid settlements being channeled to assist individuals with OUD in maintaining housing stability? Are there specific programs or initiatives geared towards this purpose?

**Tailored Programs for OUD Individuals:** Could you please outline the key programs or initiatives that have been established or customized to cater to the unique needs of individuals grappling with OUD? I am interested in learning about any specialized support services or interventions in place.

**Long-Term Sustainability:** In envisioning the sustainability of these efforts, how do you plan to ensure continuity beyond the initial funding period? Are there strategies in place to expand housing opportunities and bolster support services for individuals with OUD in the long run?

For health centers looking to leverage this resource, start by exploring innovative ways to utilize Opioid Settlement Funding for housing initiatives in your community by taking the following steps:

1. Gather important data. Many states are using data analysis to figure out where help is needed most and to keep track of how well programs are working.
2. Look into who is a part of your state or locality's team dedicated to tackling opioid issues. They can help make sure resources go where they are needed most and that responses are effective based on data and evidence.
3. Check out what your state says about how opioid funds should be used. This will help you make sure your plans line up with what is most important for your community.



## CONCLUSION

The allocation of opioid settlement funds represents a pivotal opportunity for communities to bridge housing and service gaps affecting patients impacted by the opioid crisis. These funds offer an opportunity to bolster existing support systems and initiate new initiatives aimed at providing stable housing and comprehensive services. By leveraging these resources effectively, communities can take significant strides towards addressing the multifaceted challenges posed by the opioid crisis, fostering resilience, and promoting holistic recovery for those affected.

## ADDITIONAL RESOURCES

[FACT SHEET: Biden-Harris Administration Launches the White House Challenge to Save Lives from Overdose | The White House](#)

[States' and Localities' Opioid Settlement Spending Plans & News — Opioid Settlement Tracker](#)

[Overdose Prevention and Response Toolkit | SAMHSA Publications and Digital Products](#)

[CDC Foundation Overdose Response Strategy](#)



### About CSH

CSH (Corporation for Supportive Housing) advances affordable and accessible housing aligned with services by advocating for effective policies and funding, equitably investing in communities, and strengthening the supportive housing field. Since our founding in 1991, CSH has been the only national nonprofit intermediary focused solely on increasing the availability of supportive housing. Over the course of our work, we have created more than 467,600 units of affordable and supportive housing and distributed over \$1.5 billion in loans and grants. Our workforce is central to accomplishing this work. We employ approximately 170 people across 30 states and U.S. Territories. As an intermediary, we do not directly develop or operate housing but center our approach on collaboration with a wide range of people, partners, and sectors. For more information, visit [www.csh.org](http://www.csh.org).

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