

One Ohio Receivable Calculation Process

Explanation of theory related to OneOhio and gain contingencies can be found at:

[GAAP_Misc_FAQs.pdf](#)

Information about the national settlement can be found at:

[National Opioids Settlement](#)

Background for OneOhio Estimate

Background information below is based on conversations with the Ohio Attorney General's (AG) office.

We previously determined that the contingencies related to these settlements are not resolved until the distributors have made their third distribution as the third distribution includes determining if various benchmarks have been met which will impact the amounts of future settlements. Since the original settlement, settlements have been reached with other distributors; therefore, the receivable will be increasing over the next few years as more distributors hit their third distribution.

To address collectibility, there is one distributor that has not yet hit their third year, so they are not in the current receivable, but fiscal distress is a concern. Collectibility for that distributor may be an issue when they hit their third distribution.

For 2023, an excel shell was provided as the source documentation for making these estimates as any form of source documentation was not readily available. The Auditor of State's Office worked with the Attorney General's Office to obtain the necessary source documents and then provided this information on our website. The necessary source documents are now available on the National Opioids Settlement website referenced above. Instructions on how to access this information will be addressed later in this document. Our goal is to provide background information related to these source documents. We recognized there may be multiple approaches to using this information in developing an estimate

The Opioid Settlement involves various distributors. A settlement was first reached with the three largest distributors. These three largest distributors are collectively called "Distributor" and include Cardinal Health, McKesson Corp, and Cencora. The second settlement group is Johnson & Johnson/Janssen referred to as "Janssen". Other Settlements have been reached with Allergan, Teva, CVS, Walgreens and Walmart. An additional settlement was reached with Kroger in 2024. There are 8 settlements to date and additional settlements may follow.

The way the Ohio settlement is structured, all contingencies aren't resolved until the third payment has been made, meaning no receivable is reported until the third payment has been reached. There is no receivable for Allergan/Teva/CVS/Walgreen/Walmart/Kroger as they did not reach their third payment at December 31, 2024. But Ohio local governments could have received dollars related to the distribution settlements in their OneOhio Fund during 2024.

The contingencies were resolved for Distributor and Janssen, so a receivable should be booked for these distributions. In future years, a receivable will be booked for other settlements as their contingencies are resolved.

During 2024, Cencora prepaid payment 18 on the distributor payment. These amounts were distributed to the local governments in 2024. When calculating the receivable, the projected payments for payment 18 will need reduced by the Cencora prepayments.

One Ohio Receivable Calculation Process

Year 2 allocations were made to the national trust for Teva and Allergan in 2024, but these amounts were not distributed to the local governments due to disputes. Since these settlements have not reached their third distribution, no receivable will be booked for these amounts.

Due to timing issues, Walmart payment 1 is a combination of payment 1 and payment 2.

If there are distributions in your local government's OneOhio fund from distributors other than those identified in this summary, you will need to research those distributions.

We understand the eight settlements identified above to be under the OneOhio MOU. There is also a NOAT II settlement (National Opioid Abatement Trust) which we understand to also be under the OneOhio MOU. NOAT II is related to Mallinckrodt. Additional information can be found at:

[National Opioid Abatement Trust II](#)

Also note, local governments whose distributions are less than \$500 are reallocated to the County. From item 5 page 3 of MOU:

If the LG Share is less than \$500, then that amount will instead be distributed to the county in which the Local Government lies to allow practical application of the abatement remedy.

Note Related to Nature of Estimates

Events and circumstances may occur that are different from what was built into these settlement estimates. Later payments can be impacted by Later Litigating Subdivisions and non-participating General-Purpose Governments. There are variables that are out of the state's control that can impact these estimates. Those include litigation by a non-participating local government, a settling company encountering financial difficulties sufficient to trigger the payment reduction/delay provisions found in the settlements, early payments by a company such as were seen with Cardinal Health and Cencora, non-qualifying use above the settlements' permitted thresholds, and numerous other variables and contingencies found in the settlement agreements themselves. Each of these creates a risk that cannot be accounted for with certainty in advance. Local governments and the public should know that even the best good faith estimates for future payments are not guaranteed to be correct when the time for payment comes.

Information Provided for 2023 Financial Statements

The amounts generated by the 2023 Opioid Shell were estimates only and will not be updated. The information contained in that shell is no longer readily available.

One note of caution related to the shell on our website from 2023, the Janssen distribution percentages that were used, include some local governments who ultimately decided not to participate in the settlement. It was the best information available at the time, but some of those receivables may need to be adjusted off the statements.

The 2023 shell will be left on the AOS website for comparison purposes and to allow users to understand how the 2023 estimates were developed. This information is not intended to be used for making future estimates. Each user will need to determine if 2023 estimates need updated for revisions to assumptions used in the estimate process as well as for amounts received during the current year. They will also need to evaluate if any additional settlements need to be included in the estimate. It is anticipated that this shell will be removed from our website before the end of 2025.

One Ohio Receivable Calculation Process

Generating Estimates beginning with 2024 Financial Statements

To generate an estimate for financial statements beginning with 2024, you can obtain the necessary source documents from the national opioid official settlement website:

[National Opioids Settlement](#)

Scroll to the bottom of the page, the last sentence tells you to click here for the public dashboard

Scroll down to the bottom and you can select the settlement type and state

Once you select Ohio, a payment summary will generate; you can click at the bottom of this summary for more payment details

Once inside the details you can search on the entity's name (or you can import into excel)

This process will need to be followed to generate a report for each settlement.

Any difference between the allocation amount and the paid amount would be a question for the national trust. One explanation could be issues with the banking details the local government provided the national trust. The local government might be able to research this through their own log-in on the top right of the link referenced above.

These more detailed reports identify the allocation amounts, amounts paid and the future projected payments. As indicated above and in our Miscellaneous GAAP FAQs, the third distribution of each settlement includes a reconciliation and true-up process. It isn't until this process is completed that all contingencies are resolved. There are some items that are in the process of being resolved related to the settlements that haven't reached their third distribution, including disputed amounts and collectability issues.

There is also the NOAT II to consider (national Opioid Abatement Trust II) which is explained above.

This guidance will be updated for any relevant background information.