Mike Braun, Governor
State of Indiana

Indiana Family and Social Services Administration
Division of Mental Health and Addiction

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INDIANAPOLIS, IN 46204-2739

OPIOID SETTLEMENT PLAN 2027-2028

Executive Summary

The State of Indiana has reached multiple settlements with major pharmaceutical companies, distributors, and related firms as part of the State's ongoing commitment to accountability in addressing substance use. The settlements are governed by IC 4-6-15, which defines the distribution structure, unless a settlement document or court order defines otherwise.

Indiana's Opioid Settlement framework (IC 4-6-15) mandates an equal split of settlement proceeds between the state and local units. The statute further prescribes the distribution of proceeds into four accounts. A summary of these accounts is shown below:

- State Unrestricted (15% of total settlement funds)
    - These funds require an appropriation by the General Assembly to be used by the state for oversight and administration of programs for treatment, education, recovery, and prevention of opioid use disorder and any co-occurring substance use disorders or mental health issues.
- State Abatement (35% of total settlement funds)
    - These funds are allocated to the Family and Social Services Administration (FSSA) and are to be used for treatment, education, recovery, and prevention of opioid use disorder and co-occurring substance use/mental health conditions, contingent on a distribution plan approved by the State Budget Committee.

- Local Unrestricted (15% of total settlement funds)
    - These funds serve as reimbursement to cities, counties, and towns according to a weighted distribution formula identified in settlement documents that accounts for opioid impacts in communities.
- Local Abatement (35% of total settlement funds)
    - These funds may be used only for programs of treatment, prevention, and care that are best practices as defined or required by the settlement documents or court order.

The report has been prepared pursuant to IC 4-12-16.2-5, which requires the State Budget Committee to review the distribution plan for the State Abatement Share, representing the 35% of settlement proceeds that are allocated to FSSA.

This proposal reflects extensive deliberation and incorporates feedback from internal and external stakeholders representing all regions of the state. Designed to complement existing funding streams available to the state (i.e., Recovery Works, State Opioid Response, Mental Health and Substance Abuse Block Grants, Overdose Data 2 Action, etc.), it is not the sole source of funding for the initiatives identified below. The plan accounts for the operational capacity of our state agencies to execute these efforts.

Status of State Abatement Fund (*as of April 30, 2026)*

- **Total Revenue to date:** $128,055,947
- **Total Expenses, Obligations and Transfers to date:** $58,441,109
- **Current Fund Balance:** $69,614,838
- **Total Plan Amount:** 2-Year Estimated Total: **$67,100,000**

Administrative Costs
All state administrative costs are paid from the State Unrestricted Fund, ensuring 100% of State Abatement Funds are allocated to programming.

Funding Plan Summary

Target Area	Amount
Local Match Opportunities	$2,000,000
Treatment	$20,400,000
Prevention	$20,600,000
Recovery	$15,000,000
Enforcement & Justice System	$5,000,000
Workforce & Employers	$3,100,000
Reporting	$1,000,000
TOTAL	$67,100,000

Local Match Opportunities **$2,000,000**

The Indiana Family and Social Services Administration – Division of Mental Health and Addiction (DMHA) will make available one-time funding opportunities to local units of government to support local justice system coordination and transportation.

These initiatives aim to promote innovative, collaborative, community-driven, cross-sector responses to substance use disorder issues. All applicants must provide matching funds from local distributions from the National Opioid Settlement.

Treatment **$20,400,000**

Services for Pregnant Women and Children

These funds will be used to connect pregnant and postpartum Medicaid members who are or have been impacted by substance use disorder, to prenatal and postpartum care, other healthcare, treatment, and family support services. Funds will also be utilized to implement a neonatal abstinence syndrome (NAS) care plan that aims to reduce length of stay, decrease the need for pharmacologic treatment, and minimize readmissions for infants impacted by NAS. FSSA will partner with the Indiana Department of Health (IDOH) to administer these funds.

Increased Access for Youth and Adolescents

FSSA will use the funding to partner with the Indiana Department of Child Services (DCS) to expand access to services and supports for DCS involved youth impacted by parental substance use. Resources will support coordinated referral pathways, aligned reimbursement strategies, and increased provider capacity so youth with significant behavioral health needs can access timely, appropriate residential care. This investment strengthens continuity of care and improves outcomes for youth requiring higher-intensity treatment.

Connection to Treatment for Infectious Diseases
These funds will support activities aimed at reducing Hepatitis C by offering free testing and connecting patients to treatment and resources. Investments in testing and prevention of various infectious diseases, such as HIV, Hepatitis A, B, and C, in places such as emergency departments, shelters, community-based sites, and county jails. FSSA will partner with the IDOH to administer these funds.

Efforts to Increase Access to Medication Assisted Treatment
FSSA will direct funds to opioid treatment programs (OTP) for start-up costs associated with medication units. A medication unit is a component of an OTP that is a physically separate dosing unit to dispense medication following all requirements of an OTP. In partnership with IDOH, funds will be used to enhance the initiation of medication for opioid use disorder services in emergency departments throughout the state.

American Society of Addiction Medicine (ASAM) Criteria Fourth Edition Implementation and Training
These funds will be distributed to providers as they work towards coming into compliance with ASAM criteria, improving staff training for addiction service providers.

Prevention **$20,600,000**

Faith-Community Advocacy and Education
Funding will be provided to faith and community-based organizations to improve connections and referrals to community resources and evidence-based treatment.

Prevention Programs for At-Risk Populations
These funds will target substance use prevention efforts for at-risk youth, children of parents with substance use disorders, older Hoosiers, and incarcerated individuals.

Screening, Brief Intervention, and Referral to Treatment (SBIRT) in Colleges and CCBHCs
SBIRT is a program to identify individuals' level of risk related to alcohol and drug use and provides an evidence-based framework to efficiently address behavior change or refer to more intensive treatment. This allocation will be used to provide training on college campuses and in CCBHCs to enhance the use of SBIRT in these settings.

Expansion of School and Community Prevention Programming
Funding will increase for the current prevention grantees and expand to additional prevention grantees. Community prevention grantees implement direct programs, such as Too Good for Drugs and LifeSkills Training, in school and community settings and indirect programs such as social norms campaign 'Talk. They Hear You.'

Community Outreach Teams Continuation of Funding
These funds will support 13 Community Outreach Teams that provide boots on the ground teams that distribute naloxone, resources and referrals to treatment. FSSA will partner with the IDOH to administer these funds.

Indiana Prescription Drug Monitoring Program
This funding will expand statewide prescription drug monitoring, interstate data sharing, and real-time clinical alert infrastructure. It will integrate data from nonfatal overdoses and opioid treatment programs to provide timely electronic alerts to practitioners. Direct electronic health record system and pharmacy system integration will enable real-time access to prescription histories and clinical decision support alerts. FSSA will partner with the Indiana Professional Licensing Agency to administer these funds.

Recovery **$15,000,000**

Continuation of Regional Recovery Hubs
Funding will support a Hub-and-Spoke infrastructure in which Regional Recovery Hubs connect individuals to peer support and coordinated services. Resources will enhance referral pathways from the Department of Correction and ensure continuous access to live peer support through Indiana 211. Funding will also provide transportation to treatment, recovery support, and other essential wellness services.

Continuation of Recovery Community Centers
FSSA will provide funding to support community-based recovery centers, including Recovery Cafes, faith-based organizations, and other noncertified recovery pathway organizations, to deliver peer support, social activities for individuals in recovery, and connections to local resources. These centers enhance community engagement and provide both individual and group recovery services in accessible, neighborhood-based settings.

Transitional Housing with Indiana Housing and Community Development Authority (IHCDA)
FSSA will partner with IHCDA to develop housing specifically designed to support individuals with substance use disorder. This initiative will be implemented through nonprofit developers working in partnership with a certified treatment provider or certified recovery community organization. The funding is intended to establish dedicated housing that meets the unique needs of this population.

Enforcement & Justice System **$5,000,000**

Treatment and Recovery Supports for Incarcerated Population
Funding will support the implementation of evidence-based treatment services in county jails, including access to medication-assisted treatment and counseling. These

investments will enhance the availability of clinically appropriate care for individuals with substance use disorder during incarceration, improving continuity of treatment and supporting recovery outcomes upon reentry.

Workforce & Employers **$3,100,000**

Expansion of Certified Peer Support Professionals

FSSA will provide funding to strengthen the recovery workforce and increase access to peer-led services across the state. These investments will enhance the availability of trained professionals who provide guidance, support, and linkage to recovery resources for individuals with substance use disorder. Expanding this credentialed workforce will improve the consistency, quality, and reach of peer support within community and clinical settings.

Expansion of Behavioral Health Workforce

FSSA will use funding to expand Certified Prevention Specialist Training by supporting delivery of the four-day Strategic Prevention Framework Application for Prevention Success course. Developed by SAMHSA's Center for Substance Abuse Prevention, this training prepares participants to effectively apply the Strategic Prevention Framework. This investment strengthens the state's prevention workforce and enhances community capacity to implement evidence-based prevention strategies.

Reporting **$1,000,000**

IC 4-6-15-4(e) requires all entities, including local units, receiving opioid settlement funds to monitor the use of funds and provide an annual report to FSSA. FSSA must compile and submit a comprehensive annual report to the Indiana General Assembly by October 1 of each year. FSSA enters into a contractual agreement with a third-party to develop and maintain a reporting platform and provide technical assistance to the 648 local units of government regarding the data submission processes.

Investment **Remaining Funds**

IC 4-12-16.3-7 allows for funds to be invested by the Treasurer of State to maximize the long-term impact of settlement funds. FSSA's goal is to see all abatement funds used to their fullest extent as outlined above, however, any unused abatement funds and new abatement funds that are deposited into Fund 57895-410 for the duration of this plan will be invested pursuant to IC 4-12-16.3-7.