City Council – Action Request Form

Date:	June 17, 2024
To:	Mayor, Mayor Pro Tempore, and Members of the City Council
From:	Angela I. Carmon, City Attorney

Council Action Requested:
Adoption of the Resolution Affirming the City Council's Prior Authorization for the City Attorney and Outside Legal Counsel to file an Amended Opioid Complaint to include the Pharmacy Benefit managers and a Separate Complaint to address the Overpricing of Certain Insulin Medications which impacts the City's Self-Insured Benefits Program

Strategic Focus Area: Safe and Secure Community
Strategic Objective: N/A
Strategic Plan Action Item: N/A
Key Work Item: N/A

Summary of Information:

Certain counties and municipalities, including the City of Winston-Salem, in North Carolina joined with thousands of local governments across the country to file lawsuits against opioid manufacturers, pharmaceutical distribution companies, and chain drug stores to hold those companies accountable for their misconduct. After further investigation, it was determined that certain pharmacy benefit managers (PBMs) contributed to the opioid crisis and that an amendment to the existing opioid litigation should be filed to include PBMs, which City Council authorized on May 3, 2024 in closed session. In addition to said opioid crisis, it has come to the City's attention that there was a pricing scheme in place that contributed to the increase costs of certain insulin medications, thereby, driving up costs to the City, which is a self-insured employer that provides certain employee benefits through its self-insured benefits program. After discussion of the matter with the city attorney, it was determined that it would be appropriate to file a lawsuit to address the insulin pricing scheme and the impacts of such upon the City as a self-insured employer, which City Council authorized in closed session on May 20, 2024. The attached resolution, recommended for approval, affirms the prior instructions provided to the city attorney regarding both matters.

Committee Action:

Committee		**Action**	
For		**Against**	
Remarks:			