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TO: Lake County Board and Community Stakeholders

FROM: RuthAnne Hall, Assistant County Administrator
Ashley Watson, Opioid Coordinator, County Administration

The Lake County Health Department (LCHD) Behavioral Health Services Division serves as the primary safety-net provider for substance use disorder (SUD) treatment, withdrawal management, medication-assisted recovery, harm reduction, and case management services for uninsured and underinsured residents. These services are essential to preventing overdose, supporting recovery, and maintaining community stability.

In State Fiscal Year 2026, LCHD is facing a projected funding shortfall due to limitations in Division of Alcoholism and Substance Abuse (DASA) funding. Without intervention, this gap could result in service reductions, waitlists, or interruptions in care for vulnerable residents who have no alternative access to treatment. The County has an opportunity to responsibly leverage opioid settlement funds to stabilize these critical services while longer-term funding solutions are developed.

Illinois receives opioid settlement funds as a result of national litigation against opioid manufacturers and distributors. These funds are legally restricted for opioid remediation activities, including treatment, recovery support, prevention, harm reduction, and systems coordination. Counties are required to ensure that funds are used only for approved abatement strategies, are not used to supplant existing funding sources unless expressly permitted, and are subject to strict reporting, transparency, and audit requirements.

Lake County administers these funds in alignment with state guidance and local governance structures to ensure accountability and measurable public benefit. Transfers of settlement funds are evaluated based on demonstrated need, eligibility of use, sustainability planning, and compliance capacity.

Opioid settlement funds will be transferred in mid-April 2026 from County Administration to the Lake County Health Department – Behavioral Health Services. The funds will be used exclusively to address the DASA funding shortfall and maintain uninterrupted services for uninsured Lake County residents through June 2026.

Estimated use of funds includes:

- Uninsured inpatient and outpatient substance use treatment: approximately \$292,672.00

Funds will only be used for uninsured residents and for services not reimbursable by Medicaid, Medicare, or private insurance. LCHD will submit quarterly financial invoices and programmatic reports to the County, including service volume, outcomes, and alignment with approved opioid abatement strategies.

Documentation will support required reporting to the Illinois Attorney General's Office.

LCHD and the County Opioid Coordinator will partner together to continue the goal of decreasing fatal and nonfatal overdose deaths in Lake County.