

# Audit Highlights



Highlights of performance audit report on the Response to the Opioid Epidemic: Funds and Activities issued on April 15, 2026.

Legislative Auditor report # LA26-10.

## Background

In Nevada, the Division of Public and Behavioral Health (DPBH), the Attorney General's Office (AGO), and the Department of Human Services (DHS) have supported opioid epidemic response activities.

DPBH has significant responsibilities relating to the opioid epidemic funds and activities, including oversight of federal grant funding, certification of substance use treatment providers, plans designed to support infants affected by opioid and substance use exposure, and statewide planning. Federal funding supports prevention and treatment efforts and naloxone availability.

AGO litigated and settled with entities involved in the opioid epidemic, resulting in \$1.14 billion in monetary recoveries for the State and its local governments as of May 2025. A portion of these funds are deposited in the Fund for a Resilient Nevada (FRN), which is overseen by DHS. DHS has funded and overseen multiple entities using FRN monies to support prevention, treatment, and surveillance activities related to the opioid epidemic response.

## Purpose of Audit

The purpose of the audit was to determine if state agencies are adequately overseeing opioid epidemic response funding, opioid litigation recoveries, treatment providers, and statewide planning. The audit focused activities from January 2021 to September 2024 and prior years for certain oversight activities and financial documentation.

## Audit Recommendations

This report includes 24 recommendations to improve DPBH's management of grants and other statewide efforts related to the opioid epidemic response, AGO's oversight of opioid litigation costs and contracting, and DHS' oversight of entities spending opioid litigation settlement funds.

DPBH accepted the 16 recommendations.

AGO accepted the 5 recommendations.

DHS accepted the 3 recommendations.

## Recommendation Status

DPBH's, AGO's, and DHS' 60-day plans for corrective action are due on July 11, 2026. In addition, the 6-month reports on the status of audit recommendations are due on January 11, 2027.

# Response to the Opioid Epidemic: Funds and Activities

## Division of Public and Behavioral Health (DPBH)

**Summary:** DPBH plays an important role in the fight against opioid use disorder. From 2018 to 2023, over \$115 million in federal funds were overseen by DPBH to help counter the opioid epidemic in Nevada. We found DPBH can improve its oversight of provider activities and payments. In addition, DPBH's oversight of infant care plan preparation and administration was lacking for opioid exposed infants. Furthermore, DPBH can enhance its oversight of statewide planning and grant preparation support activities. Improved DPBH oversight of funding, planning, and treatment providers, will enhance statewide activities designed to reduce the opioid epidemic's impact on Nevada citizens.

### Key Findings:

- Of 17 contracts reviewed, five entities receiving federal substance use grant funding did not submit required progress reports to DPBH. (page 18)
- Of 64 entities needing a site visit from DPBH, 15 (23%) did not receive one and 24 (38%) did not receive a timely site visit. (page 19)
- We reviewed a sample of inspection records from a vendor DPBH oversees and identified repeat noncompliance in 21 of 30 (70%) providers the vendor inspected. (page 24)
- In 9 of 20 (45%) infant care plans for patients impacted by opioids, substance use treatment referrals for the mother were not documented. (page 25)
- The comprehensive state plan for programs for alcohol or other substance use disorders did not comply with certain required statutory components. (page 28)

## Attorney General's Office (AGO)

**Summary:** AGO allocations of settlement funds to the State and local governments were accurate; however, AGO can improve its oversight of opioid litigation costs and contractual amendments. AGO did not identify excess interest charges to the State and some inaccuracies in interest calculations. After we notified AGO regarding these errors, AGO worked with the law firm to correct the interest charges. Additionally, invoiced costs were approved for reimbursement even though some costs were unallowable or invoices were incomplete. Finally, when the contingent fee contract was amended, AGO did not post two amendments online timely, including one with a significant monetary impact. Proper oversight and review of costs help ensure AGO is appropriately and effectively overseeing litigation expenses.

### Key Findings:

- AGO calculations for recoveries, contingent fees, and allocations were accurate. (page 31)
- The State was charged excess interest accrued on costs. (page 32)
- AGO did not identify unallowable costs on some invoices charged to the State. (page 36)
- AGO did not ensure two amendments to the opioid contingent fee contract were timely publicly posted. (page 39)

## Department of Human Services (DHS)

**Summary:** DHS can improve its monitoring of entities receiving opioid litigation settlement funding and its review of annual program reporting. Specifically, DHS can improve the quality of certain Fund for a Resilient Nevada (FRN) agreements to ensure fund recipients receive adequate oversight and provide sufficient reporting. In addition, DHS did not conduct required site visits for some funding recipients. Insufficient oversight increases the risk funding will not be used effectively or in alignment with program goals. Finally, a public report submitted to state leadership contained errors in FRN expenditures supporting opioid epidemic mitigation efforts.

### Key Findings:

- DHS did not conduct annual site visits for 4 of 6 (66%) grant recipients with completed grant periods in our sample. (page 44)
- All 51 FRN funded awards we reviewed had award objectives that complied with state plan and settlement requirements. (page 44)
- DHS annual reports to state leadership had errors regarding 2023 and 2024 expenditures supporting opioid epidemic response mitigation efforts. (page 47)