

# Vermont Legislative Joint Fiscal Office

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## *FISCAL NOTE*

Date: 4/27/16

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### **S.243 – An act relating to combating opioid abuse in Vermont**

*As passed the House Committee on Human Services (4/26/16)*

#### **Overview:**

#### **Manufacturer Fee (Sec. 12)**

Currently fees collected from the manufacturer fee are deposited into the Evidence-Based Education and Advertising Fund. This section increases the Manufacturer fee from 0.5% to 1.5%. Currently the fund supports the Vermont Prescription Monitoring System (VPMS), evidence-based education program (“aka” counter-detailing), and the Departments Opioid Antagonist Program. In the absence of this legislation, the manufacturer fee is expected to raise \$1 million in SFY’17. This change would increase revenues by approximately \$2.05 million for a total of approximately \$3.08 million.

***Est. New Revenues = \$2.05 million***

Between CY 2011 and 2014, collection of the fee has ranged from between 88% to 98%. Sec. 12 also institutes fines for failure to pay the manufacturer fee similar to penalties and interest assessed for late payment of incomes taxes and requires VDH to maintain a list on its website of the manufacturers who have failed to provide timely payment.

#### **Controlled Substance Abuse Advisory Council - Per Diems (Sec. 14 and 18)**

Sec. 14 creates a new Controlled Substance Abuse Advisory Council, which will replace the current 26 member Unified Pain Management System Advisory Council (which is repealed in Sec. 18. Advisory council members who are not employed by the state or whose participation is not supported through their employment or association will be entitled to per diem and expenses. There are approximately the same numbers of non-state employees on both councils therefore it is expected that the per diem costs will be budget neutral.

***No appropriation required***

#### **Acupuncture; Medicaid Pilot Project (Sec. 15a & 17)**

Sec. 15a requires DVHA to develop a pilot project to offer acupuncture services to Medicaid-eligible Vermonters with a diagnosis of chronic pain for a defined period of time to determine if acupuncture treatment as an alternative or adjunctive to prescribing opioids is as effective or more effective than opioids alone. On or before January 15, 2017, DVHA in consultation with the department of Health will provide an implementation plan and progress report to the legislature.

Sec. 17(f) appropriates \$200,000 from the Evidence-Based Education and Advertising Fund to DVHA for the purpose of “exploring nonpharmacological approaches to pain management by implementing the pilot project.” There is no set date for implementation, nor does the bill indicate how long the pilot project would last, which could have implications for out-years.

Finally, if acupuncture were to become a covered service under Medicaid, a state plan amendment would be required, rules would have to be promulgated, and further fiscal analysis would be needed.

**Appropriation = \$200,000**

### **Appropriations (Sec. 17)**

In addition to the pilot project, Sec. 17 appropriates money from the Evidence-Based Education and Advertising Fund to the Department of Health for the following:

- **\$250,000** to expand the evidence-based education program for inclusion of evidence-based information about safe prescribing of controlled substances and alternatives to opioids for treating pain.
- **\$625,000** for funding statewide unused prescription drugs disposal initiatives including:
  - \$100,000 for a secure prescription drug collection and disposal program and program manager. This is position authorized in Sec. 16 by transferring and converting from an existing vacant position in the executive branch.
  - \$50,000 for unused medication envelopes for a mail-back program.
  - \$225,000 for a public information campaign on safe disposal of controlled substances.
  - \$250,000 for a public information campaign on the responsible use of prescription drugs.
- **\$150,000** for purchasing and distributing opioid antagonist rescue kits.
- **\$250,000** for establishing a hospital microbial program to reduce hospital-acquired infections.
- **\$32,000** for purchasing and distributing naloxone to emergency medical services personnel throughout the state.

**Appropriation = \$1.307 million**

### **SUMMARY:**

**TOTAL APPROPRIATION = \$1.507 million**

**EST. NEW REVENUE = \$2.05 million**

*NOTE: As passed the Senate, the additional \$500K raised will go towards treatment programs.*