



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

1 Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • <https://jfo.vermont.gov>

## Fiscal Note

3/16/22

Nolan Langweil

### **Draft Request 22-0621 (H.728) – An act relating to opioid overdose response services**

*As introduced by the House Committee on Human Services, Draft 5.2*

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Human%20Services/Bills/H.728/Drafts,%20Amendments%20and%20Legal%20Documents/W~Katie%20McLinn~DR%202022-0621,%20As%20Recommended%20by%20the%20House%20Committee%20on%20Human%20Services~3-11-2022.pdf>

#### **Bill Summary**

The bill includes several initiatives related to treatment and recovery from opioid use disorder: The bill proposes to: (1) expand locations in which an organized community-based needle exchange program can operate; (2) prohibit a health insurance plan from requiring prior authorization during the first 60 days of initiating medication-assisted treatment (MAT) when the prescribed medication is for opioid or opiate withdrawal; (3) establish an Overdose Prevention Site Working Group; and (4) appropriate funds for three pilot programs specific to mobile MAT, supports for justice-involved individuals, and overdose emergency response support. The bill appropriates:

- \$450,000 General Fund for grants for mobile MAT services.
- \$250,000 General Fund for grants for providing substance use treatment counseling and/or substance use recovery support for justice involved Vermonters.
- \$180,000 General Fund for grants to provide or facilitate connections to substance use treatment, recovery, and harm reduction services at the time of emergency response to overdose.

Additionally, according to the Department of Vermont Health Access (DVHA), language in the bill would add limitations on their ability to use prior authorizations for prescription drugs for patients receiving MAT, which could increase costs by \$17 to \$35 million gross. This has not been appropriated in the bill.

#### **Secs. 3 to 6 – Prior Authorization**

Sec. 3 would change the definition of “health insurance plan” in [18 V.S.A. § 4750](#), which pertains to the treatment of opioid addiction, to include Medicaid. This would subject Medicaid to the limitations on prior authorizations in [18 V.S.A. § 4754](#) which prohibits health insurance plans from requiring a prior authorization for prescription drugs for a patient receiving MAT if the dosage is prescribed within the U.S.

Food and Drug Administration's (FDAs) dosing recommendations.<sup>1</sup> This language would take effect July 1, 2022 and would revert back to the existing language on July 1, 2025.

According to DVHA, the fiscal impact of these changes to prior authorization could have a fiscal impact of between **\$17 million and \$35 million gross**.

- **\$4.2 million (gross)** from the loss of supplemental rebates. According to DVHA, any loss in their ability to manage this class of therapeutic medications, in this case through new limitations on their ability to use prior authorizations, would negatively impact DVHA's eligibility for supplemental rebates.
- **\$688,528 (gross)** for prior authorizations that would have been denied previously and approved under this language.
- **\$12 to \$30 million** from increased utilization of non-preferred medications. According to DVHA, prior authorization is a tool used to guide beneficiaries into preferred and less expensive clinically proven therapeutic equivalents. Therefore, they anticipate that utilization of more expensive "non-preferred" medications could increase significantly. The majority of this estimated increase would come from one medication, Sublicade, which cost over \$20,000 per year.

## Sec. 8 – Overdose Prevention Site Working Group

Sec. 8 would create an Overdose Prevention Working Group to identify the feasibility and liability of implementing overdose prevention sites in Vermont. The group would have 11 members, 6 of whom are anticipated to be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for no more than 8 meetings.<sup>2</sup> Assuming these 6 members attend 8 meetings, the fiscal impact would be approximately \$6,000. This amount is nominal and can be absorbed within the Department of Health's budget. As such, **no appropriation would be required**.

## Sec. 9 – Medicaid-Assisted Treatment Pilot Program

Sec. 9 would **appropriate \$450,000** from the General Fund to the Department of Health's Division of Alcohol and Drug Abuse Programs (ADAP) in FY 2023 for the purpose of awarding one or more grants for mobile MAT services to currently underserved areas of the state.

## Sec. 10 – Substance Use Support for Justice Involved Vermonters Pilot Program

Sec. 10 would **appropriate \$250,000** from the General Fund to ADAP to award one or more grants to organization(s) providing substance use treatment counseling or substance use recovery support, or both, for individuals within and transitioning out of the criminal justice system.

## Sec. 11 – Overdose Emergency Response Support Pilot Program

Sec. 11 would **appropriate \$180,000** from the General Fund to ADAP to award four equal grants to organizations to provide or facilitate connections to substance use treatment, recovery, and harm reduction services at the time of emergency response to overdose.

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<sup>1</sup> <https://legislature.vermont.gov/statutes/fullchapter/18/093>

<sup>2</sup> <https://legislature.vermont.gov/statutes/section/32/015/01010>

## Fiscal Summary

Sec.	Description	Funding	Estimated Fiscal impact	Notes
3 - 6	Limitations on Prior Authorizations	No appropriation	Approx. \$17 - \$35 million	Estimated impact provided by DVHA
8	Overdose Prevention Site Working Group	No appropriation required	\$6,000	Costs can be absorbed within existing VDH budget

### APPROPRIATIONS

9	Mobile MAT Services Grants	General Fund	\$450,000	Appropriated to ADAP
10	Substance Use Treatment Counseling and Recovery Support	General Fund	\$250,000	Appropriated to ADAP
11	Overdose Emergency Response Grants	General Fund	\$180,000	Appropriated to ADAP
<b>TOTAL APPROPRIATION = \$880,000</b>				

Note: Sec. 4 of Act 43 of 2019 – An act relating to limiting prior authorization requirements for medication assisted treatment – required DVHA to submit reports on or before February 1, 2020, 2021, and 2022 regarding Vermont Medicaid’s prior authorization processes for MAT. The 2022 report can be found [here](#).<sup>3</sup>

<sup>3</sup> [https://legislature.vermont.gov/assets/Legislative-Reports/MAT-Prior-Authorization-Report-1-February-2022\\_DVHA\\_FINAL.pdf](https://legislature.vermont.gov/assets/Legislative-Reports/MAT-Prior-Authorization-Report-1-February-2022_DVHA_FINAL.pdf)