

Department of Legislative Services
 Maryland General Assembly
 2015 Session

FISCAL AND POLICY NOTE

House Bill 1041 (Delegate Fisher, *et al.*)
 Health and Government Operations

Public Health - Opioids Time-Lock Dispenser Pilot Program

This bill requires the Secretary of Health and Mental Hygiene to establish an Opioids Time-Lock Dispenser Pilot Program under which the Department of Health and Mental Hygiene (DHMH) (1) provides time-lock dispensers to individuals who are prescribed opioids and (2) studies the effect of the use of these dispensers on the rate of opioid overdoses in the State. The Secretary must promulgate regulations to implement the program and submit an annual report to the Governor and the General Assembly on the progress of the pilot program.

Fiscal Summary

State Effect: General fund expenditures for DHMH increase by approximately \$166,000 in FY 2016 to hire two part-time contractual employees to develop and then administer the pilot program, purchase necessary equipment and medication. Future year expenditures reflect the ongoing costs to administer a pilot program over three calendar years and an outcomes study after each year of program experience. Revenues are not affected.

(in dollars)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	166,000	211,900	213,700	170,300	-
Net Effect	(\$166,000)	(\$211,900)	(\$213,700)	(\$170,300)	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: No material impact because this program is administered by DHMH, not local health departments.

Small Business Effect: None.

Analysis

Bill Summary: A “time-lock dispenser” means a device that is programmed to dispense medication on a schedule.

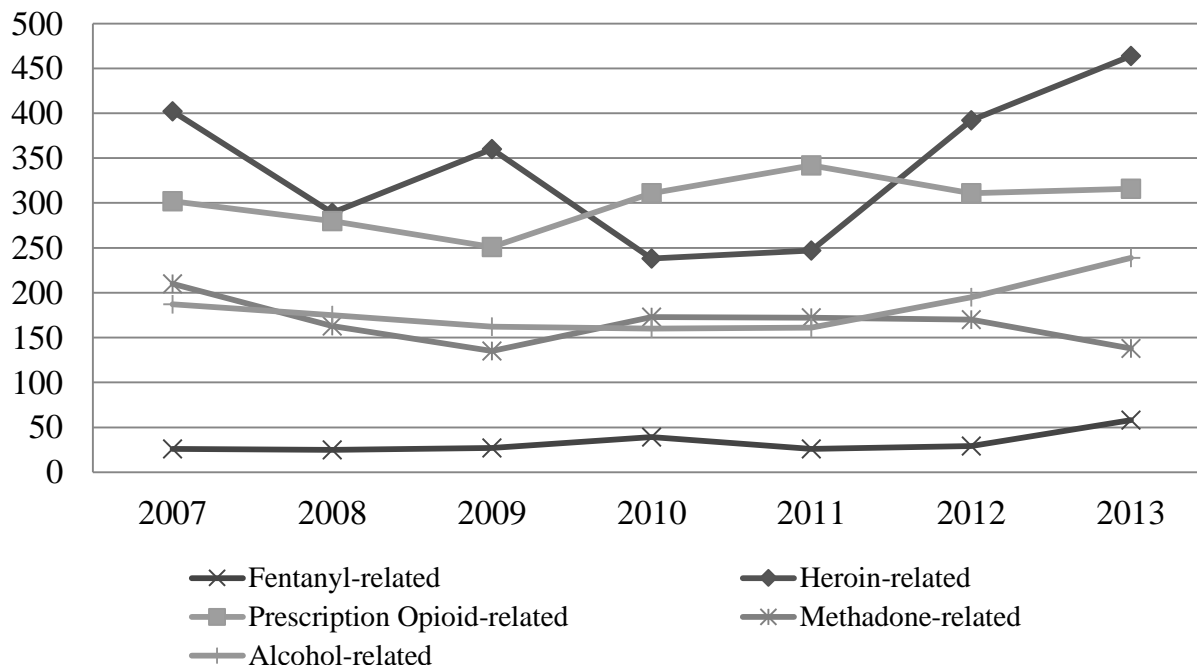
The required regulations must establish the qualifications to receive a time-lock dispenser and require individuals to return the time-lock dispenser. Although the regulations may include other provisions necessary to carry out the pilot program, regulations may not require a fee to receive a time-lock dispenser.

Current Law/Background: There is no statewide program that addresses time-lock dispensers with regard to opioid use.

DHMH’s 2013 report, titled *Drug and Alcohol-Related Intoxication Deaths in Maryland*, indicated that drug- and alcohol-related intoxication deaths in Maryland totaled 858 in 2013, a 7% increase from 2012, and an 88% increase since 2011. Increases in the number of heroin-, fentanyl-, and alcohol-related deaths contributed to the overall increase. Heroin-related deaths increased from 392 in 2012 to 464 in 2013, an 18% increase. The number of fentanyl-related deaths also doubled between 2012 and 2013, increasing from 29 to 58.

The overall number of prescription opioid-related deaths remained steady between 2012 and 2013. However, deaths increased by 37% among African Americans, and fell by 4% among Whites. Deaths increased by 11% among women, and fell by 5% among men. Prescription opioids include buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, oxycodone, pentazocine, propoxyphene, and tramadol. **Exhibit 1** shows trends in drug- and alcohol-related intoxication deaths in Maryland from 2007-2013.

Exhibit 1
Unintentional Intoxication Deaths in Maryland
2007-2013



Source: Department of Health and Mental Hygiene

State Expenditures: General fund expenditures for DHMH increase by approximately \$166,000 in fiscal 2016, which accounts for the bill’s October 1, 2015 effective date, and assumes a three-month period for development of the program, with initial participants on January 1, 2016. This estimate reflects the cost of hiring one half-time contractual services caseworker and one part-time contractual pharmacist to develop and establish the pilot program; to assign, track, and provide maintenance for the opioid time-lock dispensers; and to fill the machines. It includes salaries; fringe benefits; one-time start-up costs, including 100 time-lock dispensers; and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- although the bill does not indicate that this pilot program has a termination date, this estimate assumes a three-year pilot program that operates by calendar year from 2016 through 2018, because of the “pilot” nature of the program;
- although not specified in the bill, this estimate is based on a pilot program that serves 100 individuals, likely the same individuals over the three-year period;

- DHMH is responsible for the costs of the medication, at an average daily cost of \$1.44 per person, and these costs begin with the start date of the pilot program on January 1, 2016;
- a secure time-lock dispenser costs approximately \$1,000, and DHMH must purchase a dispenser for each of the 100 participants in fiscal 2016 only;
- DHMH must employ a part-time pharmacist to fill the dispensers in order to effectively monitor and administer the pilot program, and these dispensers cannot be filled at a normal pharmacy by the pilot program participants; and
- DHMH must contract with a third party to conduct the required annual outcomes study on the effect of the use of the time-lock dispensers on the rate of individuals in the State who overdose on opioids.

Contractual Positions	0.7
Salaries and Fringe Benefits	\$30,842
100 Time-lock Dispensers	100,000
Medication	26,430
Other Start-up and Ongoing Costs	<u>8,728</u>
Total FY 2016 State Expenditures	\$166,000

Future year expenditures reflect annualized salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses, contractual services for an annual outcomes study, and assumed conclusion of the “pilot” program. This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

As discussed above, this estimate assumes a pilot program with three years of experience. Thus, this estimate assumes that the part-time contractual pharmacist position is no longer necessary after December 31, 2018. This estimate also assumes the part-time contractual services caseworker is necessary until January 31, 2019, to collect the dispensers, finalize the pilot program, and answer any questions for the final annual outcomes study. Full annual contract costs for the outcomes study are borne in fiscal 2019 to complete the final study. It is assumed that DHMH can handle any final administrative duties related to completing that final study with existing resources after the contractual employees are terminated. To the extent that the program continues beyond this time period, expenditures continue.

Although this estimate is based on a pilot program serving 100 individuals, it is unclear how these individuals will be selected, where participants will be located, whether there will be a particular focus on an age group, type of opioid, etc. To the extent that the

program must be larger in order to serve a more diverse or representative sample of the population or include a control group, costs for the program increase.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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md/ljm

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