HB 1212

Department of Legislative Services

Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1212 (Delegate Frick, *et al.*)
Health and Government Operations Finance

Health Insurance - Prior Authorization for Opioid Antagonists - Authorization

This bill authorizes insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers) that provide coverage for prescription drugs, including coverage through a pharmacy benefits manager (PBM), to apply a prior authorization requirement for an "opioid antagonist" on the carrier's formulary *only if* coverage is provided for at least one formulation of the opioid antagonist without a prior authorization requirement.

The bill takes effect January 1, 2018, and applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after that date.

Fiscal Summary

State Effect: Minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) in FY 2018 from the $125 rate and form filing fee. Review of filings can likely be handled with existing MIA resources. The bill does not materially affect expenditures for the State Employee and Retiree Health and Welfare Benefits Program (State Plan), as discussed below.

Local Effect: No material effect on health care expenditures for local governments that purchase fully insured health benefit plans. Revenues are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: "Opioid antagonist" means naloxone hydrochloride or any other similarly acting and equally safe drug approved by the U.S. Food and Drug Administration for the treatment of a drug overdose.

Current Law/Background: Naloxone (also known as Narcan®) is an opioid antagonist long used in emergency medicine to rapidly reverse opioid-related sedation and respiratory depression. The Department of Health and Mental Hygiene (DHMH) launched the Overdose Response Program in March 2014 to authorize certain individuals (through the issuance of a certificate) to administer naloxone to an individual experiencing, or believed to be experiencing, opioid overdose to help prevent a fatality when medical services are not immediately available. As of February 8, 2017, 42,084 individuals have received training under the program. Additionally, there have been 45,498 dispensed doses of naloxone and 1,572 reported naloxone administrations.

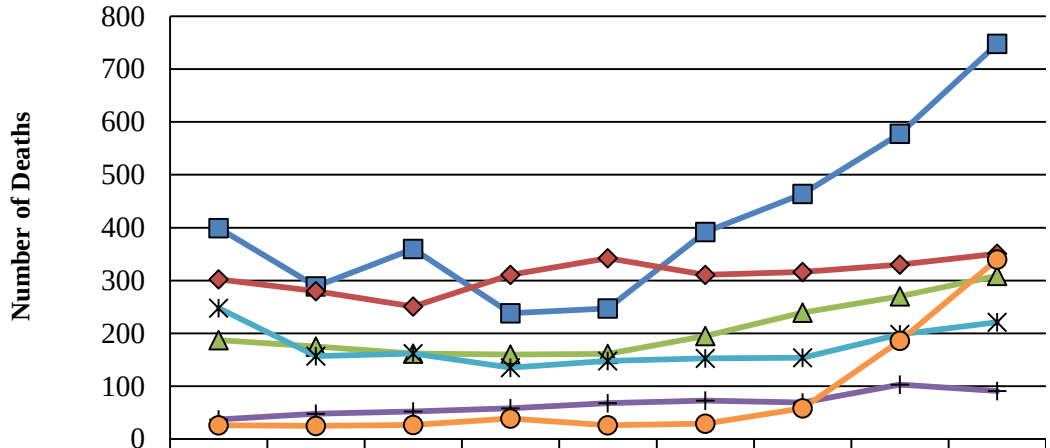
According to DHMH's 2016 report, *Drug and Alcohol-Related Intoxication Deaths in Maryland*, drug- and alcohol-related intoxication deaths in Maryland increased for the fifth year in a row, totaling 1,259 deaths in 2015 – a 21% increase since 2014 and an all-time high. Of all intoxication deaths, 1,089 deaths (86%) were opioid related, including deaths related to heroin, prescription opioids, and nonpharmaceutical fentanyl. Opioid-related deaths increased by 23% between 2014 and 2015 and have more than doubled since 2010. Heroin- and fentanyl-related deaths have risen particularly sharply. The number of heroin-related deaths increased by 29% between 2014 and 2015 and has more than tripled between 2010 and 2015. The number of fentanyl-related deaths increased by 83% between 2014 and 2015 and has increased nearly twelvefold since 2012. **Exhibit 1** shows trends in drug- and alcohol-related intoxication deaths in Maryland from 2007 through 2015.

Preliminary data from DHMH indicates that the number of intoxication deaths increased at an even steeper rate in 2016, with 1,468 deaths from January through September 2016 compared to 904 deaths during the same period in 2015 (a 62% increase). Additionally, for January through September 2016, the number of heroin-related deaths increased 72% and the number of fentanyl-related deaths increased nearly fourfold compared to the same period in 2015.

Medicaid covers naloxone prescriptions; in 2016, Medicaid enrollees filled 4,631 naloxone prescriptions. DHMH advises that, in response to the increasing number of opioid-related deaths in the State and amongst Medicaid enrollees, DHMH and its eight Medicaid managed care organizations (MCOs) have collaborated on policy changes and recommendations to promote changes in prescribing practices based on guidance from the U.S. Centers for Disease Control and Prevention. DHMH and those MCOs have advised providers that naloxone should be prescribed to patients who meet certain risk factors,

namely (1) a history of substance use disorder; (2) high-dose or cumulative prescriptions that result in over 50 morphine milligram equivalents; (3) prescriptions for both opioids and benzodiazepine or non-benzodiazepine sedative hypnotics; or (4) other factors such as friends or family that use drugs.

Exhibit 1
Total Number of Drug- and Alcohol-related Intoxication Deaths By Selected Substances in Maryland
2007-2015



	2007	2008	2009	2010	2011	2012	2013	2014	2015
Heroin	399	289	360	238	247	392	464	578	748
Prescription Opioids	302	280	251	311	342	311	316	330	351
Alcohol	187	175	162	160	161	195	239	270	309
Benzodiazepines	37	48	52	58	68	73	69	103	91
Cocaine	248	157	162	135	148	153	154	198	221
Fentanyl	26	25	27	39	26	29	58	186	340

Source: Department of Health and Mental Hygiene

State Fiscal Effect: The State Plan is largely self-insured for its medical contracts and, as such, with the exception of the one fully insured integrated health model medical plan (Kaiser), is not subject to this mandate. However, the Department of Budget and Management advises that prescription drug coverage provided through the State Plan's PBM, Express Scripts (which is not subject to this mandate), does not currently require prior authorization for opioid antagonists.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Budget and Management; Department of Health and Mental Hygiene; Maryland Health Benefit Exchange; Maryland Insurance Administration; Department of Legislative Services

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