HB 1084

Department of Legislative Services

Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1084 (Delegate Pena-Melnyk, *et al.*)
Judiciary and Health and Government Operations

Correctional Services – Medication–Assisted Treatment Funding

This bill repeals the requirement that the State fund the program of opioid use disorder (OUD) screening, evaluation, and treatment of incarcerated individuals as provided in the State budget. Instead, the Secretary of Health through the Maryland Office of Overdose Response (MOOR) must provide each county a grant equal to the costs incurred by the county for a medication-assisted treatment (MAT) program during the preceding fiscal year. Grants must be funded by the Opioid Restitution Fund (ORF) and any money appropriated in the State budget for grants. Each county must submit a related report to MOOR by October 1 each year, as specified. If a county fails to submit the required report, its grant must be reduced, as specified. The bill repeals the requirement that each local correctional facility make available at least one formulation of each U.S. Food and Drug Administration (FDA)-approved full opioid agonist, partial opioid agonist, and long-acting opioid antagonist used for the treatment of OUDs. The bill also alters required items in the Governor's Office of Crime Prevention and Policy (GOCPP) annual report on local correctional facilities, as specified.

Fiscal Summary

State Effect: No effect in FY 2026. Beginning in FY 2027, Maryland Department of Health (MDH) combined general/special fund expenditures increase by an estimated $11.4 million annually to provide grants. However, in the absence of the bill, any ORF monies used for this purpose could be used for other currently authorized and discretionary purposes. Accordingly, in a year when ORF is fully subscribed, there may be no net impact on total ORF spending. Revenues are not affected.

($ in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	$0	$0	$0	$0	$0
GF/SF Exp.	0	11.4	11.4	11.4	11.4
Net Effect	$0.0	($11.4)	($11.4)	($11.4)	($11.4)

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

Local Effect: County revenues increase – in total – by an estimated $11.4 million annually beginning in FY 2027 from grants provided for MAT programs. County expenditures decrease to the extent a county currently funds its MAT program and instead receives State funds under the bill. Local revenues from ORF for other purposes could be affected, as discussed below.

Small Business Effect: None.

Analysis

Bill Summary: The authorized uses of ORF are expanded to include grants to counties for the implementation of MAT programs.

Each county must submit a report by October 1 each year to MOOR on (1) the number of days each incarcerated individual was provided a service under a MAT program during the previous fiscal year; (2) the total itemized costs incurred for MAT services by each local correctional facility; and (3) any other information MOOR requires. If a county fails to submit the required report, the Secretary must deduct 20% of any grant awarded for each 30 days or part of 30 days that the report is not submitted.

The Governor may include an appropriation to MDH in the annual budget bill for the purpose of providing grants under the bill. Any such appropriation may only be used to provide funding equal to the costs incurred by a county for the implementation of a MAT program.

A grant distributed to a county may be reduced by the amount of an award from GOCPP or MDH, or a federal award for the same purposes.

Other Reporting Requirements

The bill repeals the requirement that GOCPP include in its annual report on local correctional facilities a review and summary of the percent of days for incarcerated individuals with OUD receiving medication or MAT for OUD. Instead, GOCPP must report the average number of days incarcerated individuals received MAT. The report must also include the total itemized costs incurred for MAT services by each local correctional facility and any other information requested by *MOOR* (rather than MDH).

Current Law: Chapter 532 of 2019 established programs of OUD screening, evaluation, and treatment in local correctional facilities and in the Baltimore Pre-trial Complex.

Screenings, Assessments, and Evaluations

Each local correctional facility must assess the mental health and substance use status of each incarcerated individual using evidence-based screenings and assessments to determine if the medical diagnosis of an OUD is appropriate and if MAT is appropriate. If a required assessment indicates OUD, an evaluation of the incarcerated individual must be conducted by a specified health care practitioner, and information must be provided to the incarcerated individual describing medications used in MAT.

Treatment

MAT must be available to an incarcerated individual for whom such treatment is determined to be appropriate. Each local correctional facility must make available at least one formulation of each FDA-approved full opioid agonist, partial opioid agonist, and long-acting opioid antagonist used for the treatment of OUDs.

Each local correctional facility must:

- following an assessment using clinical guidelines for MAT, make medication available, as specified, or begin withdrawal management services prior to administration of medication;
- make available and administer medications for the treatment of OUD;
- provide behavioral health counseling for incarcerated individuals diagnosed with OUD consistent with therapeutic standards in a community setting;
- provide access to a health care practitioner who can provide access to all FDA-approved medications, as specified; and
- provide on-premises access to peer recovery specialists.

If an incarcerated individual received medication or MAT for OUD immediately preceding or during the individual's incarceration, a local correctional facility must continue the treatment after incarceration or transfer unless (1) the incarcerated individual voluntarily discontinues the treatment, verified through a written agreement that includes a signature or (2) a health care practitioner determines that the treatment is no longer medically appropriate.

In addition, before the release of an incarcerated individual diagnosed with OUD, a local correctional facility must develop a plan of reentry that:

- includes information regarding post-incarceration access to medication continuity, peer recovery specialists, other supportive therapy, and enrollment in health insurance plans;

- includes any recommended referrals by a health care practitioner to medication continuity, peer recovery specialists, and other supportive therapy; and
- is reviewed and, if needed, revised by a health care practitioner or peer recovery specialist.

Funding for Medication-assisted Treatment

As provided in the State budget, the State must fund the program of OUD screening, evaluation, and treatment of incarcerated individuals.

By November 1 of each year, GOCPP must report data from individual local correctional facilities to the General Assembly, including (1) the number of individuals diagnosed with mental health disorders, substance use disorders (SUDs), and OUDs; (2) the number and cost of assessments for incarcerated individuals; (3) the number of incarcerated individuals receiving medication, MAT, and treatment for OUDs; and (4) a review and summary of the percent of days, including the average percent, median percent, mode percent, and interquartile range of percent for incarcerated individuals with OUD receiving medication or MAT for OUD as calculated overall and stratified by other factors, such as type of treatment received, among other statistics.

Opioid Restitution Fund

Chapter 537 of 2019 established ORF, a special fund to retain any revenues received by the State relating to specified opioid judgments or settlements, which may be used only for opioid-related programs and services. Chapter 270 of 2022 specifies that ORF may be used for programs, services, supports, and resources for evidence-based SUD prevention, treatment, recovery, or harm reduction that have the purpose of currently authorized outcomes and activities. ORF may also be used for:

- supporting community-based nonprofit recovery organizations that provide nonclinical substance use recovery services;
- evidence-informed SUD prevention, treatment recovery, or harm reduction pilot programs or demonstration studies that are not evidence based if the advisory council determines that emerging evidence supports funding or that there is a reasonable basis for funding with the expectation of creating an evidence-based program and approves the use of money for the pilot program or demonstration study; and
- evaluations of the effectiveness and outcomes reporting for SUD abatement infrastructure, programs, services, supports, and resources for which the fund is used.

For more information on ORF and SUD and OUD prevention programs in Maryland, please see **Appendix – Opioid Crisis**.

State Fiscal Effect: Under current law, the State is required to fund MAT programs at local correctional facilities. In response to similar legislation in 2024, the Maryland Association of Counties (MACo) reported that, while all 23 local correctional facilities have implemented MAT programs, the State has yet to effectively allocate resources to local correctional facilities to cover the costs of such programs. In addition, the fiscal 2026 budget as introduced does not include any funding for local correctional facilities for their MAT programs.

MACo previously advised that the majority of local correctional facility MAT programs cost between $200,000 to $500,000 annually (with the exception of Baltimore County, whose program costs $2.7 million annually), with the statewide cost for all programs totaling approximately $11.4 million annually.

Thus, beginning in fiscal 2027, MDH general and special fund expenditures, combined, increase by an estimated $11.4 million annually to award grants to counties to fund MAT programs at local correctional facilities. MOOR advises that ORF currently has sufficient fund balance to cover the cost of providing grants to counties for MAT programs (as of November 2024, the balance in ORF was $90.0 million). Accordingly, ORF monies are likely used for this purpose rather than general funds, at least in the near term. Nonetheless, as the bill also authorizes grants to be provided with any money appropriated in the State budget, expenditures may instead be only general funds or a combination of general funds and ORF monies. Also, should ORF become fully subscribed, spending for other purposes authorized under State law may need to decrease by an equivalent amount, for no net impact on ORF spending.

To the extent that grants are reduced due to counties receiving an award from GOCPP, MDH, or the federal government, MDH general/special fund expenditures are likewise reduced. In fiscal 2025, GOCPP awarded $631,452 from the federal Residential Substance Abuse Treatment Program (RSAT) and $1.1 million from the Performance Incentive Grant Fund (PIGF) to support MAT implementation. The fiscal 2026 budget as introduced includes approximately $11.2 million in expenditures from PIGF, some of which *may* be used to support MAT programs. As RSAT funds are contingent on federal funding, its availability in fiscal 2026 for MAT programs is indeterminate. In fiscal 2024, MDH's Behavioral Health Administration (BHA) distributed grants to 14 jurisdictions in amounts between $66,000 and $1.3 million. BHA plans to continue issuing funding opportunities through the Substance Abuse Treatment Outcomes Partnership Fund and the State Opioid Response grant initiative.

Furthermore, if a county submits its annual report late, MDH must reduce the grant award by 20% for each 30 days or portion of 30 days that the report is late; to the extent this occurs, MDH general/special fund expenditures are reduced.

Local Fiscal Effect: County revenues increase – in total – by an estimated $11.4 million annually beginning in fiscal 2027 from grants for MAT programs. For example, Frederick County advises it recently opened a correctional medical ward and anticipates receiving about $300,000 in annual reimbursement for MAT programs at its detention centers under the bill. County expenditures decrease (or are redirected to other purposes) to the extent a county *currently* funds its MAT program and instead receives State funds under the bill.

Also, to the extent any counties receive an award from GOCPP, MDH, or the federal government for MAT programs, grants are reduced accordingly. Although the amount of funding each county will receive in any given year from such sources is unknown, Anne Arundel County advises that it currently receives about $850,000 for MAT programs at the Ordinance Road Correctional Center. Montgomery County currently receives State Opioid Response grants to fund its program.

However, to the extent that ORF monies that would otherwise go to local governments and/or local health departments (LHDs) are instead used for MAT programs, local governments and LHDs may be impacted.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1031 and SB 801 of 2024.

Designated Cross File: SB 942 (Senator Sydnor) - Judicial Proceedings and Finance.

Information Source(s): Anne Arundel, Baltimore, Cecil, Frederick, and Montgomery counties; Maryland Association of County Health Officers; Governor's Office of Crime Prevention and Policy; Maryland Department of Health; Maryland Office of Overdose Response; Department of Legislative Services

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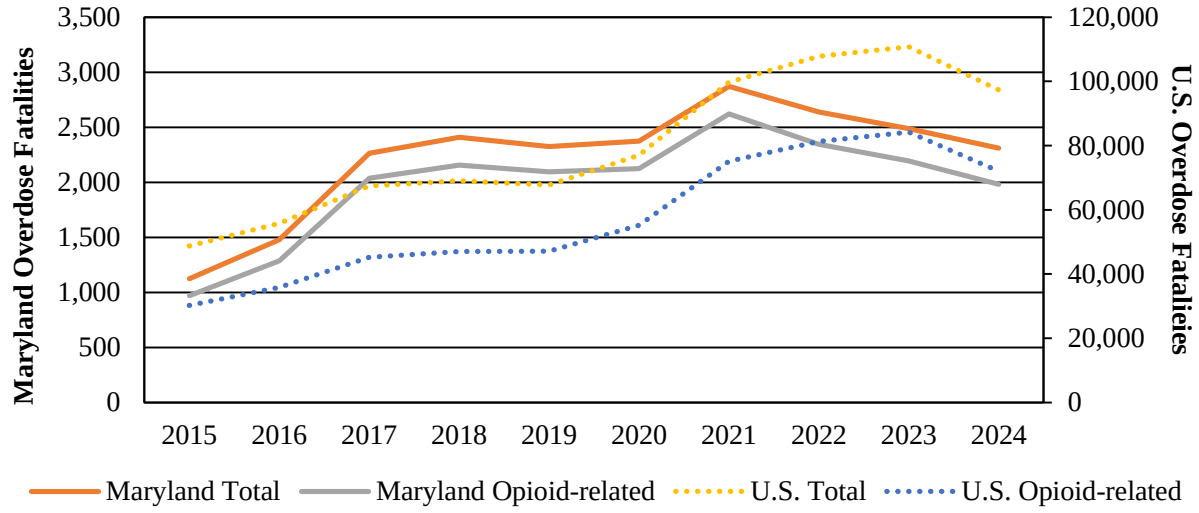
Appendix – Opioid Crisis

Opioid Overdose Deaths

Between April 2015 and April 2024, 22,286 individuals died from overdose in Maryland. Approximately 89% of the deaths involved opioids, and 73% involved synthetic opioids excluding methadone (primarily fentanyl). During the same period, 801,436 individuals died from overdoses nationally, with 71.5% of those fatalities involving opioids. Since 2021, there has been a gradual decrease in overdose deaths both in Maryland and nationally.

According to preliminary data covering April 2023 through April 2024, overdose deaths have decreased in both the United States and Maryland by approximately 1.9% and 2.4%, respectively. However, overdose fatalities remain high. **Exhibit 1** shows the number of overdose fatalities recorded in a 12-month period (April to April) in Maryland and the United States from 2015 to 2024.

Exhibit 1
Overdose Fatalities in Maryland and the United States
April 2015 to April 2024



U.S.: United States

Note: Data for 2022-2024 is preliminary.

Source: Centers for Disease Control and Prevention; Department of Legislative Services

In Maryland, disparities in overdose fatalities persist across race, age, gender, and jurisdiction. Statewide, Black men, particularly those aged 55 and older, have the highest overdose fatality rate, which is nearly double that of white men, the group with the second highest overdose fatality rate. Across race groups, more than twice the number of males die by overdose compared to females, and individuals aged 55 and older comprise the highest number of overdose deaths among each race and gender category except for white females. The Maryland Overdose Response Advisory Council voted in June 2024 to reinstate the Racial Disparities in Overdose Task Force to study the causes of racial disparities and recommend solutions.

Although opioid overdose fatalities are problematic statewide, the greatest concern is in Baltimore City. Between calendar 2018 and 2022, Baltimore City experienced an overdose fatality rate nearly twice that of any other U.S. city. According to the Maryland Department of Health (MDH), there were 1,891 overdose-related fatalities across the State from October 2023 to September 2024, of which 846 occurred in Baltimore City, representing approximately 45% of the State's total overdose fatalities but just 9% of the State's population.

Maryland Actions to Address the Opioid Crisis

Legislative Response: The General Assembly has passed numerous bills to address the State's opioid crisis, including prevention, treatment, overdose response, and prescribing guidelines.

- Chapters 573 and 574 of 2017 expand drug education in public schools to include heroin and opioid addiction prevention; require local boards of education to require each public school to store naloxone and other overdose-reversing medication; and require institutions of higher education that receive State funding to establish a policy that addresses heroin and opioid addiction and prevention.

- Chapter 570 of 2017 requires a health care provider to prescribe the lowest effective dose of an opioid and a quantity that is no greater than that needed for the expected duration of pain severe enough to require an opioid that is a controlled dangerous substance, with specified exceptions.

- Chapters 215 and 216 of 2018 require a health care provider to advise a patient of the benefits and risks associated with a prescribed opioid or co-prescribed benzodiazepine.

- Chapter 537 of 2019 establishes the Opioid Restitution Fund (ORF), a special fund to retain any revenues received by the State relating to specified opioid judgments or settlements, which may be used only for opioid-related programs and services.

- Chapter 82 of 2022 requires MDH to adopt a reporting system to monitor the prescribing of medications to treat opioid use disorders (OUDs) in the State, identify and reach out to prescribers who regularly prescribe nonpreferred medications, and identify barriers to individuals who need medication to treat an OUD to obtaining the medication in a timely manner.

- Chapter 224 of 2022 requires the Prescription Drug Monitoring Program to monitor the dispensing of naloxone medication and to maintain confidentiality with regard to naloxone medication data.

- Chapter 239 of 2022 broadens existing requirements and protections relating to the administration or provision of naloxone to encompass any opioid overdose reversal drug approved by the U.S. Food and Drug Administration (FDA) and authorizes specified providers and organizations across the State to offer naloxone free of charge to individual community members.

- Chapter 408 of 2024 requires MDH to report to the legislature each year until 2026 on (1) current opioid overdose reversal drugs approved by the FDA and (2) whether MDH has added each current FDA-approved opioid overdose reversal drug to a standing order.

- Chapter 764 of 2024 expands the Public Access Automated External Defibrillator (AED) Program to include an initiative to locate up to two doses of naloxone with each AED in a public building.

- Chapter 886 of 2024 requires hospitals, beginning January 1, 2025, to establish protocols to provide appropriate care for patients admitted for opioid-related conditions, including overdose, possess specified medication for the treatment of OUD, and treat a patient who presents in an emergency room for opioid-related overdose or emergency medical condition, as specified.

Maryland has a statewide standing order for opioid overdose reversal drugs that authorizes any Maryland-licensed pharmacist to dispense unlimited prescriptions and refills of naloxone and devices for its administration to any individual, as specified. A pharmacist must provide consultation with the individual regarding the naloxone dosage that is most appropriate, select and dispense two doses of naloxone, and provide directions for use. If a patient cannot afford naloxone or related copayments, or does not wish to use insurance coverage, pharmacists are instructed to refer them to the Opioid Response Program, where they can obtain a naloxone kit free of charge.

Legal Actions Related to the Opioid Crisis: In October 2020, the U.S. Department of Justice announced a global resolution of its criminal and civil investigations of opioid manufacturer Purdue Pharma. However, the resolution was subject to approval by the bankruptcy court for the Southern District of New York, which rejected the bankruptcy settlement in December 2021. After multiple rejected settlements, including a $6 billion settlement rejected by the Supreme Court, in January 2025, Purdue agreed to a $7.4 billion settlement, which still requires court approval. If the deal proceeds, the Sackler family must also give up ownership of Purdue.

Maryland and a coalition of states were part of the $21 billion Janssen settlement, a settlement with opioid manufacturer Johnson & Johnson and three of its distributors – McKesson, Cencora (formerly Amerisource Bergen), and Cardinal Health. Maryland's share of the settlement is approximately $395 million over 18 years.

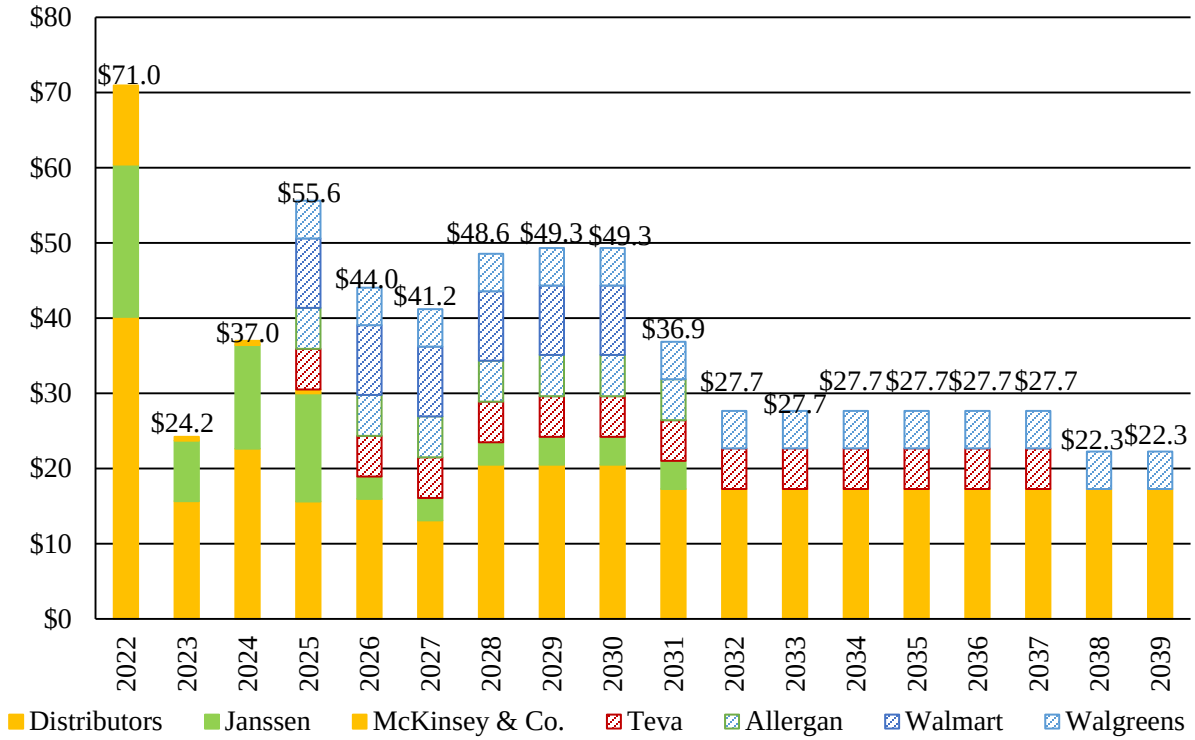
Maryland and several other states also reached a $573 million settlement with McKinsey & Company in 2021. Maryland's share of the settlement is about $12.0 million, the final installment of which was received in July 2024. The State was part of several other settlements, including ones with Walmart, Walgreens, Allergan, Teva, and Publicis Health. All settlement revenues are allocated to ORF, as described below.

Opioid Restitution Fund: **Exhibit 2** shows the actual and projected ORF revenue from opioid settlements from fiscal 2022 through 2039, which is expected to total $668 million.

MDH distributes this funding to local health departments, correctional facilities, and community organizations through block grants and competitive grants, and annually reports its spending to the General Assembly. The ORF Advisory Council meets throughout the year to discuss the best uses of funding and submit recommendations on spending priorities. Per the various settlement agreements, most ORF funding will be expended through competitive grants, and some will be distributed to local governments as block grants through a formula. Some ORF funding is expended at the discretion of the Secretary of Health who, in 2024, committed to distributing all discretionary funds through grants to local governments and organizations.

While each Maryland county will receive block grant funding through ORF, Baltimore City will only receive ORF funds from just one settlement, as it opted out of all other settlements to pursue separate litigation in pursuit of higher award amounts. As of December 2024, Baltimore City has announced approximately $409.7 million in settlement awards, with additional settlements in progress.

Exhibit 2
Sources of Opioid Restitution Fund Revenue
Fiscal 2022-2039
($ in Millions)



Source: Maryland Department of Health; Department of Legislative Services

Funding to Address the Opioid Crisis: Maryland receives federal funding to address opioid misuse and overdose. Active federal grants include the Substance Abuse Block Grant (SABG) to address substance use disorder (SUD) and the State Opioid Response Grant Program targeted to address opioid misuse. MDH distributes SABGs to each jurisdiction for activities related to substance abuse prevention, education, and treatment, including for alcohol. Federal regulations require that 20% of each SABG be directed toward supporting prevention activities.

The fiscal 2026 budget as introduced includes nearly $492 million for substance abuse treatment programs, overdose response, behavioral health investment, and other substance abuse-related programs. There is $67.6 million budgeted for ORF, $10.0 million for the Office of Overdose Response, and $959,020 for the Lieutenant Governor's Heroin and Opioid Task Force, all from general funds. The fiscal 2026 budget as introduced also

includes $78.6 million in general funds invested in the Behavioral Health Administration, which can be used for a variety of purposes, including crisis services, inpatient services, hospital overstay, and SUD prevention and treatment. Lastly, between general funds, special funds, federal dollars, and reimbursable expenditures, there is a total $334.6 million budgeted for substance abuse-related grant programs, including SABG and the State Opioid Response Grant Program.