

Department of Legislative Services
 Maryland General Assembly
 2014 Session

FISCAL AND POLICY NOTE

House Bill 1343 (Delegate Fisher, *et al.*)
 Health and Government Operations

Department of Veterans Affairs - Opioids Time Lock Dispenser Pilot Program

This bill requires the Secretary of Veterans Affairs to establish a three-year opioids time lock dispenser pilot program under which the Department of Veterans Affairs (DVA) (1) provides time lock dispensers to veterans in the State who are prescribed opioids and (2) studies the effects of the use of the time lock dispensers on the rate of veterans in the State who overdose on opioids. The Secretary must adopt specified regulations and submit an annual progress report.

The bill terminates September 30, 2018.

Fiscal Summary

State Effect: General fund expenditures increase by \$80,400 in FY 2015 for DVA to develop and begin to implement the pilot program. Future year costs reflect annualization and inflation through FY 2018. Revenues are not affected.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	80,400	91,500	95,500	99,600	0
Net Effect	(\$80,400)	(\$91,500)	(\$95,500)	(\$99,600)	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

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

The Secretary must adopt regulations to implement the pilot program, including regulations that establish the qualifications a veteran must have to receive a time lock dispenser and require a veteran to return a time lock dispenser. The regulations may also include any other provisions necessary to carry out the pilot program, but may not require a veteran to pay a fee to receive a time lock dispenser.

The Secretary must annually submit a report to the Governor and General Assembly on the progress of the pilot program.

Current Law: A “veteran” is, generally, an individual who served on active duty in the U.S. Armed Forces, other than for training, and was discharged or released under conditions other than dishonorable.

Background: An opioid is any psychoactive chemical that resembles morphine or other opiates in its pharmacological effects. Opioids have long been used to treat acute pain (such as post-operative pain) and have also been used in palliative care to alleviate the severe, chronic, disabling pain of terminal conditions such as cancer and degenerative conditions such as rheumatoid arthritis.

A March 2012 article in the *Journal of the American Medical Association* stated that the nationwide prescription of opioid analgesics has nearly doubled since 1994 because of a greater recognition of the importance of treating pain. At the same time, rates of prescription opioid misuse and overdose have increased sharply, and prescription opioids are now a leading cause of death in the United States. The article authors noted that Iraq and Afghanistan veterans with pain- and post traumatic stress disorder (PTSD)-prescribed opioids may be at particularly high risk of prescription opioid misuse given the high cooccurrence of substance use disorders among veterans with PTSD. In the authors’ study, of the 291,205 veterans who entered the U.S. Department of Veterans Affairs’ health care system from 2005 through 2008, during one year of follow-up, 141,029 (48%) received at least one pain-related diagnosis. Of the 141,029 veterans with pain diagnoses, 15,676 (11.1%) received prescription opioids for 20 or more consecutive days. Among the 141,029 veterans who received pain-related diagnoses, those prescribed opioids had a higher prevalence of all adverse clinical outcomes occurring in the context of emergency department or inpatient admissions than those who had not been prescribed opioids.

State Expenditures: General fund expenditures increase by \$80,419 in fiscal 2015 for DVA, which accounts for the bill’s October 1, 2014 effective date. This estimate reflects

the cost of hiring two contractual medical professionals to attempt to facilitate and manage the opioid time lock dispenser pilot program and conduct studies of the use of the dispensers. It includes contractual salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. It does not include any costs for the time lock dispensers.

Contractual Positions	2
Salaries and Fringe Benefits	\$70,809
Additional Equipment	8,740
Other Operating Expenses	<u>870</u>
Total FY 2015 State Expenditures	\$80,419

Future year expenditures reflect full contractual salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses through fiscal 2018. (Although the bill indicates that the pilot program is intended to be of three years in duration, the bill's provisions are effective for four years. For purposes of this analysis, it is assumed that the contractual staff are no longer needed after fiscal 2018.)

Even with additional staff, it is unclear if DVA can effectively implement the bill's requirements. DVA advises that the agency does not have the authority to require the pharmacy programs at the U.S. Department of Veterans Affairs' hospitals and clinics to distribute time lock dispensers to veterans. DVA believes that, under the bill, the federal government would have to pay for and distribute time lock dispensers to veterans who receive opioids. Without jurisdiction over these federal facilities, DVA advises that the agency would not be able to carry out the bill's requirements.

Additional Information

Prior Introductions: None.

Cross File: Although SB 969 (Senator Middleton, *et al.* - Finance) is designated as a cross file, it is not identical.

Information Source(s): Department of Veterans Affairs, *Journal of the American Medical Association*, Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2014
ncs/lgc

Analysis by: Guy G. Cherry and
Lindsay Eastwood

Direct Inquiries to:
(410) 946-5510
(301) 970-5510