HB 1162

Department of Legislative Services

Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1162 (Delegate Alston)
Health and Government, Labor, and Elections

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 Special Secretary of Overdose Response must provide each county funding equal to the costs incurred by the county for a medication-assisted treatment (MAT) program during the preceding fiscal year. Funding must be provided from the Opioid Restitution Fund (ORF), any funds appropriated in the State budget, and other eligible grant funding. Funding must be reimbursed on receipt of final itemized expenses. Before receiving funding from ORF, a county must demonstrate an attempt to obtain at least one grant from the Maryland Department of Health (MDH) or the Governor's Office of Crime Prevention and Policy (GOCPP) for the fiscal year in which the county is requesting reimbursement. Each county must submit specified information to the Maryland Office of Overdose Response (MOOR) by July 30 each year or the county's funding must be reduced, as specified. The bill also alters (1) required items in the GOCPP annual report on local correctional facilities and (2) authorized uses of ORF, as specified.

Fiscal Summary

State Effect: MDH general fund expenditures increase by $77,700 in FY 2027 for staff; future years reflect annualization and ongoing costs. MDH general/special fund expenditures (likely from ORF) increase indeterminately beginning in FY 2028 for reimbursements to counties, as discussed below. Revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	$0	$0	$0	$0	$0
GF Expenditure	77,700	90,600	94,900	99,200	103,500
GF/SF Exp.	0	-	-	-	-
Net Effect	($77,700)	($-)	($-)	($-)	($-)

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

Local Effect: County revenues may increase indeterminately beginning in FY 2028 for reimbursements provided for MAT programs in the preceding fiscal year, as discussed below. County expenditures are likely not affected.

Small Business Effect: None.

Analysis

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

By July 30 each year, each county must submit to MOOR (1) all estimated itemized costs for the annual operation of the local MAT program in the local detention center for the current fiscal year and (2) the final itemized expenses for the prior fiscal year. If a county fails to submit this information (or specified information required to be submitted to GOCPP), MOOR must deduct 20% of any funding awarded for each 30 days (or part of 30 days) that the information is not submitted.

The Governor may include an appropriation to MOOR in the annual budget bill sufficient to provide funding to counties 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.

Funds distributed to a county under the bill 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 any other information requested by *MOOR or GOCPP* (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 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.

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. ORF may be used for:

- programs, services, supports, and resources for evidence-based SUD prevention, treatment, recovery, or harm reduction;
- supporting community-based nonprofit recovery organizations that provide nonclinical substance use recovery services;
- addressing racial and socioeconomic disparities in access to prevention, harm reduction, treatment, and recovery support 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 the authorized uses and distribution of ORF, as well as SUD and OUD prevention programs in Maryland, please see **Appendix – Opioid Crisis**.

State Fiscal Effect: MOOR advises that the bill requires a new process to collect information from and deliver appropriate funds to counties for at least 20 different local correctional facilities. To handle this workload, MOOR requires additional staff, funded with general funds.

Personnel

Although receipts for reimbursement are not due until July 30, 2027, MOOR advises that staff is required to help set up the reimbursement system and receive training in advance of this date to be ready to receive submissions from counties. Thus, MDH general fund expenditures increase by $77,674 in fiscal 2027, which accounts for the bill's October 1, 2026 effective date. This estimate reflects the cost of MOOR hiring one grant specialist to manage the collection of information from and distribution of funds to counties for MAT in local correctional facilities. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	$68,533
Operating Expenses	9,141
Total FY 2027 MDH Admin. Expenditures	**$77,674**

Future year administrative expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Reimbursements

The bill authorizes reimbursements to counties to come from ORF, any money appropriated in the State budget, and other eligible grant funding. Thus, MDH general and/or special fund expenditures increase indeterminately beginning in fiscal 2028 to reimburse counties for MAT expenses for the preceding fiscal year. However, as current law requires the State to fund MAT programs, and the bill only authorizes the use of general funds *as appropriated in the State budget*, the net impact on general funds under the bill is likely minimal.

MOOR advises that current State grant programs, including those from MDH, MOOR, and GOCPP, provide about $20.0 million in total funding for medications for OUD in correctional facilities, which includes MAT. As the bill only requires a county to apply for *one* grant opportunity prior to requesting reimbursement from ORF, funding previously allocated through other existing grants may instead come from ORF, as counties would not be incentivized to apply for as many outside grant programs under the bill.

Thus, beginning in fiscal 2028, MDH general/special fund expenditures (primarily special funds from ORF) increase by an indeterminate amount (up to $20.0 million annually) to reimburse counties for MAT programs at local correctional facilities.

However, the Maryland Association of Counties (MACo) advises that, in fiscal 2026, approximately $18.0 million of local MAT spending was funded through grants, while about $3.6 million in expenses were paid by counties. Thus, if grant funding continues at similar levels in future years, MDH general/special fund expenditures are likely to increase by approximately $3.6 million annually beginning in fiscal 2028.

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

MOOR advises that, should there be a significant shift in the source of MAT funding from current grants to primarily ORF, there would be insufficient funds in ORF to cover such costs beyond fiscal 2029. Should ORF funds become fully subscribed, spending for other purposes authorized from ORF may need to decrease by an equivalent amount.

Local Fiscal Effect: County revenues may increase indeterminately beginning in fiscal 2028 from reimbursements for MAT programs. However, most counties already receive State or federal grants that cover at least some of the costs of their MAT programs. MOOR advises that only two counties (Harford and Charles counties) do not receive grant funding as they do not apply for it.

Additionally, under the bill, to the extent any counties receive an award from GOCPP, MDH, or the federal government, reimbursements are reduced accordingly. As noted above, MACo advises that in fiscal 2026, State grants covered about $18.0 million in MAT expenditures for counties, while about $3.6 million in expenditures were funded by counties.

Thus, certain county revenues increase indeterminately beginning in fiscal 2028 due to reimbursements. However, to the extent that counties continue applying for and receiving grants, the increased revenue under the bill is limited. Should either Harford or Charles county apply for reimbursement under the bill, local revenues increase more significantly.

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 Comments: MACo advises that the intent of the bill is for ORF to be used to cover any gap in MAT funding not currently covered by grants, thereby not resulting in an increase in general fund expenditures. However, the bill authorizes MOOR to reimburse counties with (1) general funds, as appropriated in the budget; (2) ORF funds, so long as a county applies for at least one grant; or (3) grant funding.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 1084 and SB 942 of 2025 and HB 1031 and SB 801 of 2024.

Designated Cross File: None.

Information Source(s): Baltimore, Charles, Dorchester, Garrett, and Howard counties; Maryland Association of Counties; Maryland's Office of Overdose Response; Governor's Office of Crime Prevention and Policy; Maryland Department of Health; Department of Public Safety and Correctional Services; Department of Legislative Services

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caw/jc

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Appendix – Opioid Crisis

Opioid Overdose Deaths

Between April 2016 and April 2025, nearly 23,000 individuals died from overdose in Maryland, with approximately 88% of the deaths involving opioids. During the same period, approximately 780,000 individuals died from overdoses nationally, with 72.2% 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 2024 through April 2025, overdose deaths have decreased in both the United States and Maryland by approximately 26% and 33%, respectively.

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, Baltimore City is disproportionately impacted. 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 1,296 overdose-related fatalities across the State from October 2024 to September 2025, of which 536 occurred in Baltimore City, representing approximately 41% 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 legislation to address the 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 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 of a prescribed opioid or co-prescribed benzodiazepine.

- Chapter 537 of 2019 establishes the Opioid Restitution Fund (ORF), a special fund to retain 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), 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 and maintain confidentiality of naloxone 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 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.

- Chapter 759 of 2025 establishes a Buprenorphine Training Grant Program to support counties in training paramedics in administering buprenorphine.

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 nearest Overdose Response Program, a community organization providing overdose prevention education and supplies, where individuals can obtain a naloxone kit free of charge.

Opioid Manufacturer and Distributor Settlements: In October 2020, the U.S. Department of Justice announced a global resolution of its criminal and civil investigations of opioid manufacturer Purdue Pharma. After multiple rejected settlements and appeals, Purdue agreed to a $7.4 billion national settlement that was approved by a federal judge in November 2025.

The State was part of several other settlements, including ones with McKinsey & Company, Johnson & Johnson, Walmart, Walgreens, Allergan, Teva, and Publicis Health. All settlement revenues are allocated to ORF, as described below.

Opioid Restitution Fund: Through the end of fiscal 2025, Maryland has received more than $245.8 million from opioid settlements. By October 2038, the State is projected to receive more than $670.8 million in opioid settlement revenue, which is split between local jurisdictions and ORF.

While each Maryland county will receive block grant funding through ORF, Baltimore City will 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 September 2025, Baltimore City has announced nearly $580 million in separate settlement awards, with additional settlements in progress.

Under the National Opioid Settlement, Maryland's settlement revenues are directed into four distinct funding streams for expenditure; the amount in each stream must ultimately reach a specified percentage of total awards, with only 75% flowing through ORF, as follows:

- **Local Direct Funds (25%):** Direct payments from settlement administrators to participating subdivisions. As of the end of fiscal 2025, this accounts for approximately $53.6 million in revenues paid directly to local jurisdictions.

- **Targeted Abatement Grant Funds (45%):** Funds deposited into ORF that must be used for formula-based grants for participating subdivisions. As of the end of fiscal 2025, this accounts for approximately $97.0 million in ORF revenues.

- **State Discretionary Abatement Fund (15%):** Funds that must be made available for competitive grants. As of the end of fiscal 2025, this accounts for approximately $38.0 million in ORF revenues.

- **State Allocation Funds (15%):** Funds that may be spent at the State's discretion, within allowable parameters. As of the end of fiscal 2025, this accounts for approximately $57.3 million in ORF revenues.

Generally, legislative mandates and initiatives are funded with State Allocation Funds. Through the end of fiscal 2025, $14.4 million of the $57.3 million in State Allocation Funds received has been expended; another $34.5 million is allocated for future spending through 2038. Thus, approximately $8.4 million of State Allocation Funds received remains available for future discretionary spending. In addition, the Maryland Office of Overdose Response (MOOR) anticipates receiving an additional $64.7 million in State Allocation Funds through 2038.

Recent legislative initiatives funded through this revenue stream include co-location of naloxone with AED units (per Chapter 764); operating and personnel expenses for the Office of the Attorney General's Opioids Enforcement Unit related to investigation and enforcement of opioid settlements (per Chapters 700 and 701 of 2025); and development of an interactive dashboard to report on settlement revenue and the use of ORF (per Chapters 690 and 691 of 2025). Other current uses of this funding include salaries for MOOR staff and the Opioid Policy Advisor in the Lieutenant Governor's Office and a Medicaid waiver for medications for opioid use disorder (MOUD). Additionally, provisions in the fiscal 2026 budget temporarily expanded the allowable uses of ORF to supplement general funds for the buprenorphine initiative under the Behavioral Health Administration and MOUD in correctional and pre-trial detention facilities.