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FISCAL NOTE

Drafting Number: LLS 18-0257 Date: February 28, 2018
Prime Sponsors: Rep. Kennedy; Singer Sen. Lambert; Jahn Bill Status: House Public Health Care and Human Services
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Bill Topic: SUBSTANCE USE DISORDER PAYMENT AND COVERAGE

Summary of Fiscal Impact: State Revenue, TABOR Refund, State Expenditure (minimal, potential), Local Government, State Transfer, Statutory Public Entity

This bill makes several changes to payment and coverage for substance use disorder treatment under private health insurance plans and the state Medicaid program. It will result in one-time workload increase for state agencies, and potentially an ongoing, minimal increase in state and local expenditures.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Opioid and Other Substance Use Disorders Interim Study Committee.

Summary of Legislation

This bill makes several changes to substance use treatment under health benefit plans and the state Medicaid program. Specifically, the bill:

- requires health benefit plans to provide coverage without prior authorization for a five-day supply of buprenorphine for a covered person's first request during a 12-month period, with prior authorization permitted for subsequent requests;
requires health benefit plans to handle requests for medication-assisted treatment (MAT) as an urgent prior authorization request;
requires health benefit plans that provide coverage for physical therapy, acupuncture, or chiropractic care to not subject those services to dollar limits, deductibles, copayments, or coinsurance amounts that are higher than those for primary care services for covered persons who are diagnosed with chronic pain and who have or have had a substance use disorder diagnosis;
requires contracts between a health insurance carrier and a provider to include a provision prohibiting the carrier from taking adverse action against a provider based solely on the results of a patient satisfaction survey or other method of getting patient feedback relating to patient satisfaction with pain treatment;
prohibits health benefit plans and Medicaid from requiring that a covered person undergo step therapy that requires the use of an opioid medication prior to providing coverage for a non-opioid prescription drug recommended by a patient's health care provider;

- requires that Medicaid provide reimbursement for a federally approved, ready-to-use intranasal form of naloxone hydrochloride without prior authorization;
- requires health benefit plans and Medicaid to provide an enhanced dispensing fee to pharmacists who administer injections of MAT when practicing under a collaborative practice agreement with a physician; and
- requires the Department of Health Care Policy and Financing (HCPF) and the Office of Behavioral Health in the Department of Human Services (DHS) to establish rules to standardize utilization management authority timelines for the non-pharmaceutical components of MAT services.

State Expenditures

The bill increases workload, and potentially costs, for several state agencies starting in FY 2018-19. These impacts are described below.

Insurance filings. The Division of Insurance in the Department of Regulatory Agencies may have a one-time increase in workload to update materials on the changes to health benefit plans under the bill and to communicate these changes to insurance carriers. This work is expected to require a minimal amount of staff time and can be accomplished as part of the annual rate review process.

State employee health insurance. To the extent that the new prohibitions on step therapy involving opioid medications and the cost sharing limitations on physical therapy, acupuncture, and chiropractic services increase costs paid by health benefit plans, state agencies' costs for employee health insurance may increase. Because state employee health insurance contributions are based upon prevailing market rates, with costs shared between the employer and employee, this bill is not expected to affect the state's share of employee health insurance premiums until FY 2020-21. Because insurance rates are influenced by a number of variables, the exact effect of this bill cannot be determined. Any increase caused by the bill will be addressed through the total compensation analysis included in the annual budget process.

Medicaid payment updates. HCPF will have additional workload to update payment rules and systems related to the enhanced dispensing fee for MAT administered by pharmacists. This work can be accomplished within existing appropriations.

Local Government

Similar to the state impact above, local governments that offer a state-regulated health plans to their employees may have an increase in health insurance premium costs. Given that health insurance premiums are affected by a number of factors, the exact impact cannot be estimated, but is assumed to be minimal.

Effective Date

The bill takes effect January 1, 2019, assuming no referendum petition is filed.

State and Local Government Contacts

Corrections
Human Services
Personnel

Counties
Information Technology
Regulatory Agencies

Health Care Policy and Financing
Law