



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**HB 18-1007**

**REVISED  
FISCAL NOTE**

(replaces fiscal note dated February 28, 2018)

<b>Drafting Number:</b>	LLS 18-0257	<b>Date:</b>	April 24, 2018
<b>Prime Sponsors:</b>	Rep. Kennedy; Singer Sen. Lambert; Jahn	<b>Bill Status:</b>	Senate SVMA Bill Zepernick   303-866-4777 Bill.Zepernick@state.co.us
		<b>Fiscal Analyst:</b>	Bill.Zepernick@state.co.us

**Bill Topic:** SUBSTANCE USE DISORDER PAYMENT & COVERAGE

**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure ( <i>minimal</i> )	<input checked="" type="checkbox"/> Local Government ( <i>minimal</i> )
<input type="checkbox"/> State Transfer	<input type="checkbox"/> 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 a 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:** This revised fiscal note reflects the reengrossed bill. The bill was originally 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 at least one federally approved drug for the treatment of opioid dependence 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 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;
- requires that Medicaid provide reimbursement for at least one federally approved, ready-to-use opioid overdose reversal drug 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 any provisions of the bill 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  
Health Care Policy and Financing  
Information Technology  
Personnel

Counties  
Human Services  
Law  
Regulatory Agencies