



OHIO LEGISLATIVE SERVICE COMMISSION

Joseph Rogers and other LSC staff

Fiscal Note & Local Impact Statement

Bill: H.B. 117 of the 132nd G.A.

Status: As Introduced

Sponsor: Reps. Huffman and Brenner

Local Impact Statement Procedure Required: No

Subject: Statewide pilot program for long-acting opioid antagonist therapy

State and Local Fiscal Highlights

- The bill may increase the number of individuals receiving medication-assisted therapy (MAT) to treat opiate addiction, although existing programs may already cover many of the individuals who will be eligible for the pilot program created by the bill.
- Medicaid pays about \$1,250 per injection of Vivitrol, the medication most likely to be used in the therapy. Vivitrol is administered monthly, so one individual receiving treatments for one year, would cost about \$15,000, plus the cost of any additional addiction therapies.
- The bill's pilot program must be offered to certain incarcerated individuals. Those who choose to participate would receive their first Vivitrol injection before release. The costs of this first treatment would be incurred by the state, most likely through the Ohio Department of Rehabilitation and Correction (ODRC).
- Once released, participants in the bill's pilot program would receive their remaining treatments through their local board of alcohol, drug addiction, and mental health services (ADAMH). The bill stipulates that the costs of treatment be paid by Medicaid or private insurance. The vast majority of participants will likely qualify for Medicaid. State Medicaid spending is eligible for federal reimbursement at a rate of about 63% to up to 94%, depending on the recipient's eligibility group.
- It is not clear from the bill who would pay treatment costs for uninsured individuals. It is possible the ADAMH board would cover those costs.

Detailed Fiscal Analysis

Pilot program

The bill establishes, on July 1, 2018, a statewide pilot program for the provision of long-acting opioid antagonist therapy, a type of medication-assisted therapy (MAT) to treat opiate addiction,¹ to offenders confined for an opioid-related offense in a state correctional facility, a local correctional facility, or a community residential program and who will be released from confinement on supervised release. Each eligible offender must be offered, prior to release, the opportunity to participate. If an offender elects to participate in the pilot program, the offender must receive the long-acting opioid antagonist therapy at least 30 days prior to release. During confinement, the costs associated with therapy are to be paid by the state.

Once an individual is released from confinement, a local alcohol, drug addiction, and mental health services board (ADAMH) is required to establish a procedure for providing long-acting opioid antagonist therapy to participants who reside in its jurisdiction. The therapy is to be obtained at a facility operated by the ADAMH board or by an entity with which the board contracts to provide the therapy. The bill requires the Medicaid Program or the participant's health insurance to pay for the cost of therapy.

The bill specifies that the pilot program will operate at least until December 31, 2020. However, the General Assembly may enact legislation to extend the program for an additional 30 months, through June 30, 2023.

Fiscal impact

Participation

The bill may increase the number of individuals in Ohio receiving MAT in correctional facilities and through local boards of alcohol, drug addiction, and mental health services (ADAMH). However, there are already programs operating in Ohio that offer similar services to those mandated by the bill. Most notably, the Ohio Department of Mental Health and Addiction Services (MHAS) operates the Addiction Treatment Program (ATP) for court-involved individuals with opioid or alcohol use disorder. ATP started as a pilot program in FY 2014 and has since expanded to 21 counties, including all of the ten most populous counties in Ohio, except for Hamilton County. More details on existing MAT programs are given below. The existence of these programs will mitigate the fiscal effects of the bill as many individuals who would otherwise receive services under the bill's pilot program may already be receiving them under existing programs. Even for those not currently receiving services, participation in the program is on a voluntary basis.

¹ The bill defines long-acting opioid antagonist therapy as "treatment through the use of naltrexone or another opioid receptor antagonist and the provision of therapy components."

Treatment costs

The bill requires the use of "long-acting opioid antagonist therapy" so usage would likely be limited to Vivitrol (the injectable form of naltrexone) since it is administered as a monthly injection and thus, is long-acting. The private insurance or self-pay cost of Vivitrol can range between \$1,000 and \$1,200 per injection.² The Hocking County Drug Court reports that, if it can obtain Vivitrol through the federal 340B Program, the cost is about \$540 per injection.³ If the offender is on Medicaid, which pays for Vivitrol, the cost is about \$1,250 per injection.⁴ Medicaid expenditures receive federal reimbursement.⁵

Under the bill, a participant's first injection is administered at least 30 days prior to release. The bill specifically provides that the state will pay the cost of this first treatment whether the inmate is in a state or local correctional facility or in a community program. This will likely increase costs for the Ohio Department of Rehabilitation and Correction (ODRC). ODRC currently pays for Vivitrol administered to inmates in halfway houses as part of treatment protocols for those nearing release. Vivitrol is used in these instances as part of transitional control, which is a step-down program that monitors a prisoner's adjustment to community supervision during the final 180 days of the prisoner's confinement, preparing them for eventual release.

Once an inmate is released, the bill requires continued therapy be administered through the ADAMH board serving the area in which the participant resides. The bill states that the cost of the treatment be paid by Medicaid or the participant's other insurance. The vast majority of participants will qualify for Medicaid, which currently covers the cost of Vivitrol. Existing programs, such as ATP, have paid directly for participants' initial treatments as a stop gap while participants wait to enroll in Medicaid. However, individuals enrolled in ATP are now "fast-tracked," and so experience shorter wait times for approval than other applicants. In addition, the Ohio Department of Medicaid and ODRC currently partner in the Ohio Medicaid Pre-Release Enrollment Program, which helps individuals enroll into Medicaid and select a managed care plan prior to release. ATP may also pay for treatment for those who do

² "Drug Courts Partner with Pharmaceutical Company to Combat Heroin, Alcohol Abuse," Prison Legal News, www.prisonlegalnews.org, October 2014.

³ The 340B Drug Pricing Program requires drug manufacturers participating in the Medicaid Drug Rebate Program to provide outpatient drugs to eligible health care organizations/covered entities at significantly reduced prices.

⁴ According to the Ohio Department of Medicaid, this cost is for individuals covered through Medicaid fee-for-service. Costs for individuals covered by Medicaid managed care could be different since each managed care company would negotiate a reimbursement price for the medication. Additionally, the Medicaid Program receives rebates from pharmaceutical companies for certain covered outpatient drugs. Thus, Medicaid may receive a rebate for Vivitrol.

⁵ Medicaid federal reimbursement for Ohio is typically about 63%. However, for individuals enrolled on Medicaid expansion (Group VIII), the federal reimbursement is 95% in calendar year (CY) 2017, 94% in CY 2018, 93% in CY 2019, and 90% in CY 2020 and each year thereafter.

not qualify for Medicaid and who are otherwise uninsured. It is possible that the local ADAMH board would cover the cost of the treatment for uninsured participants of the bill's program, but that is not clear in the bill.

Most existing MAT programs appear to be between 6 to 12 months in duration depending on the needs and condition of the addicted person. If an individual receives Vivitrol for 12 months and the cost is approximately \$1,250 per injection, the total cost would be \$15,000, plus the cost of any additional addiction treatment therapies.

Indirect costs

Although the bill does not mandate more than the provision of long-acting opioid antagonist therapy, if it leads to more individuals receiving such therapy, it may increase ADAMH boards' spending on recovery supports, which are generally provided in conjunction with MAT. Recovery supports assist an individual to initiate or continue treatment and include things such as housing and transportation. ATP, as an example of the costs of such services, allots \$2,000 per participant per month for any MAT costs not covered by Medicaid and for related recovery supports.

Potential savings

Any potential savings realized from the statewide pilot program created by the bill will be a function of the diversion of offenders with addiction issues away from local jails and into treatment programs, and also the reduction in the rate of recidivism for those released from state prisons. The savings that stem from the pilot program would involve reduced pressure and administrative burden on the jails and prisons.

Existing MAT programs

MHAS-administered programs

As stated above, MHAS is currently operating ATP⁶ for court-involved individuals with opioid or alcohol use disorder. According to MHAS's website, ATP is being operated in drug court programs certified by the Supreme Court of Ohio in 21 counties. Program participants are provided addiction treatment, including MAT. The program is capped at 1,500 participants. In both FY 2016 and FY 2017, \$5.5 million was allocated for the program. The program began as a pilot project in FY 2014 and was initially limited to individuals without insurance. However, on September 21, 2016, MHAS opened the program to individuals with Medicaid or private insurance. MHAS also stated that recovery supports would be made available for participants. Recovery supports are intended to assist an individual or an individual's family member initiate or sustain treatment and include housing, transportation, childcare, and co-pays for private insurance. Each ATP participant can utilize \$2,000 per month for treatment and recovery supports.

⁶ The program was created in H.B. 59, the biennial budget bill of the 129th General Assembly and was extended in H.B. 64, the biennial budget bill of the 130th General Assembly. H.B. 49, As Introduced, extends the program for another two years.

According to MHAS, the vast majority of ATP clients are on Medicaid. If a client is on Medicaid or has other private insurance, it pays for their treatment expenses and ATP dollars pay for recovery support services. If a client is uninsured, then ATP dollars can pay for treatment services and recovery supports. Participants receive access to long-acting antagonist therapies, partial antagonist therapies, or both as part of MAT (under the bill's pilot program only long-acting opioid antagonist therapies may be used, which tend to be more expensive). According to MHAS, 55% of participants received injectable Vivitrol.

MHAS also currently operates the Community Transition Program (CTP) through a contract with CareSource. CTP provides treatment, including MAT, and recovery support services for individuals with substance use disorder released from confinement with ODRC. CTP runs from July 2016 through June 2017. It is unknown if the program will be extended.

Additionally, MHAS has provided funds for criminal justice-behavioral health linkages. A few of the projects receiving funds in FY 2017 are listed below:

- \$136,493 to the Athens, Hocking, and Vinton Counties Linkages Project, which will provide a seamless transition from referral to treatment and a close collaboration between behavioral health and criminal justice;
- \$150,000 to Gallia, Jackson, and Meigs counties to strengthen onsite services in jails and provide linkages to post-release aftercare;
- \$150,000 to Hamilton County to fund outpatient treatment and MAT for clients' post-release; and
- \$150,000 to Licking and Knox counties to increase in-jail mental health and alcohol and other drug assessment and treatment services, as well as reentry planning/community linkage bridge services.

Drug courts

In addition to the ATP described above, the Warren County Common Pleas Court operates a drug court that received a grant in March 2014 from ODRC to operate a MAT program using Vivitrol. This program has treated 50 or so participants. Butler County also operates a Vivitrol treatment program which has also provided treatment for more than 50 offenders since it began in early 2015.

Based on information available from the Ohio Supreme Court as of December 2015, there are 85 common pleas, municipal, and county courts in Ohio operating specialized docket programs for drugs. Of that number, it appears that at least 15 are currently operating a MAT drug court program.