

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 30, 2019

TO: Honorable Senfronia Thompson, Chair, House Committee on Public Health

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB3285** by Sheffield (Relating to programs and initiatives to prevent and respond to opioid addiction, misuse, abuse, and overdose and identify and treat co-occurring substance use disorders and mental illness.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill would be significant, but cannot be determined at this time as the cost for the provisions of the bill relating to expanding telehealth services for treatment of substance use disorders is unknown.

Fiscal Analysis

The bill would require the Higher Education Coordinating Board (THECB) to encourage health-related institutions of higher education and their faculty to conduct public health research on substance use disorders and addiction involving prescription drugs.

The bill would require the executive commissioner of the Health and Human Services Commission (HHSC) to by rule establish a program to increase opportunities for and expand access to telehealth treatment for substance use disorders in the state.

The HHSC executive commissioner would also be required to develop a statewide public awareness campaign to deliver public service announcements explaining risks related to opioid misuse. In addition, the executive commissioner, using funds available for the purpose, would be required to establish a program to provide opioid antagonists to emergency medical services personnel, first responders, public schools, community centers, and other persons likely to be in a position to respond to an opioid overdose. HHSC would be authorized to accept gifts, grants, and donations for this purpose. HHSC would be required to implement the public awareness campaign and opioid antagonist program by December 1, 2019.

With certain exceptions, HHSC would be required to provide medical assistance reimbursement for medication-assisted opioid or substance use disorder treatment without requiring preauthorization or precertification for the treatment.

The criminal justice division of the Office of the Governor would be required to establish and administer, using any money available for the purpose, a grant program to provide law enforcement agencies financial assistance for opioid antagonists for peace officers, evidence technicians, and related personnel who are likely to come into contact opioids or encounter people suffering overdoses.

The Statewide Behavioral Health Coordinating Council would be required to incorporate into the statewide behavioral health strategic plan strategies related to substance use disorders and treatment developed in cooperation with the Texas Medical Board and State Board of Pharmacy.

The bill would require prescribers or dispensers of opioids to annually attend at least one hour of continuing education covering best practices, alternative treatment options, and multi-modal approaches to pain management which may include physical therapy, psychotherapy, and other treatments.

The bill would require the Department of State Health Services to collect and analyze data related to opioid overdose deaths and the co-occurrence of substance use disorders and mental illness.

The State Board of Pharmacy would be required to encourage pharmacists to participate in a program that provides a comprehensive approach to delivering early intervention and treatment services for persons with or at risk for substance use disorders.

Methodology

HHSC indicates that costs related to expanding access to telehealth treatment for substance use disorders cannot be determined, though the agency described the potential costs to be related to an increase in telehealth utilization and administrative costs. According to the agency, provisions related to the public awareness campaign and opioid antagonist program at HHSC could be absorbed with existing resources.

HHSC estimates a client services cost of approximately \$1.2 million in General Revenue and \$3.1 million in All Funds for the biennium from the provision related to removing prior authorization for medication-assisted opioid or substance use disorder treatment.

Certain drugs are on the state's preferred drug list (PDL), in part, in exchange for supplemental rebates that the state has negotiated with the drug manufacturer. For the drugs included in the medical assistance reimbursement under this bill, some are preferred, and do not currently require a prior authorization, and some are non-preferred, and do require prior authorization. According to HHSC, if the Vendor Drug Program can no longer require prior authorization for any of the non-preferred drugs used for medication-assisted opioid or substance use disorder treatment, drugs on the PDL will no longer receive preferential treatment, and the drug manufacturers will not provide supplemental rebates.

The Department of State Health services would have costs, including an FTE, related to collecting and analyzing opioid overdose death data. This analysis assumes these costs could be absorbed with existing resources.

This analysis also assumes that the Governor's Office could absorb costs related to the bill with existing resources. The amount of grants issued by the office is unknown at this time.

The Medical Board, Board of Pharmacy, and THECB indicate that the provisions of the bill could be absorbed with existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusted Programs Within the Office of the Governor, 503 Texas Medical Board, 515 Board of Pharmacy, 529 Health and Human Services Commission, 537 State Health Services, Department of, 781 Higher Education Coordinating Board

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