



# VERMONT LEGISLATIVE Joint Fiscal Office

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## Fiscal Note

5/24/2023

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### **H.222 (Act 22) – An act relating to reducing overdoses**

**As passed by the General Assembly<sup>1</sup>**

#### **Bill Summary**

**T**he bill proposes several updates to existing initiatives as well as new initiatives relating to reducing overdoses.

- The bill would authorize \$150,000 for grants and consultations for syringe disposal programs from the Evidence-Based Education and Advertising Fund.
- The bill would enable health care providers in office-based opioid-treatment programs to prescribe 24 milligrams of buprenorphine without prior authorization effective January 1, 2024, which could have an estimated annualized fiscal impact of approximately \$1 to \$2 million per year (gross) on the Medicaid budget.
- The bill would appropriate \$8,196,000 from the Opioid Abatement Special Fund based on recommendations from the Opioid Settlement Advisory Committee.<sup>2</sup>

#### **Background and Details**

The following sections have a fiscal impact.

##### **Sec. 3 – Appropriation for Grants and Consultations**

Sec. 3 of the bill would authorize \$150,000 from the Evidence-Based Education and Advertising Fund to the Department of Health's (VDH) Division of Substance Use Programs to provide grants and consultations for municipalities, hospitals, community health centers, and other community needle and syringe disposal programs.

##### **Sec. 3a – Manufacturer Fee - Deleted**

Sec. 3a, which would have increased the prescription drug manufacturer fee was deleted from the bill as amended by the Senate Committee on Health and Welfare.

##### **Sec. 4 – Opioid Antagonists and Dispensing Kiosks**

The bill would expand the list of prevention, intervention, and response strategies the Department of Health must develop for the purpose of addressing prescription and nonprescription opioid overdoses in Vermont “depending on available resources” to include expanded distribution of opioid antagonist to

<sup>1</sup><https://legislature.vermont.gov/Documents/2024/Docs/BILLS/H-0222/H-0222%20As%20Passed%20by%20Both%20House%20and%20Senate%20Unofficial.pdf>

<sup>2</sup><https://legislature.vermont.gov/Documents/2024/WorkGroups/Senate%20Health%20and%20Welfare/Bills/H.222/Witness%20Documents/H.222~Mark%20Levine~Opioid%20Settlement%20Funding%20Recommendations%20for%20Fiscal%20Year%202024~4-6-2023.pdf>

assist those at risk of experiencing an opioid-related overdose and establishing opioid antagonist dispensing kiosks in accessible locations. The costs of these interventions will depend on the mechanics of the programs (such as how they are staffed, the number of kiosks, etc.), as well as the availability of resources. No new appropriation is required at this time.

### **Sec. 8b – Prior authorization; Buprenorphine**

Sec. 8b would require DVHA to amend its rules to enable health care providers in office-based opioid-treatment programs to prescribe 24 milligrams of the preferred medication for buprenorphine without prior authorization. According to DVHA this change could have estimated annualized fiscal impact of \$1 to \$2 million per year (gross) on the Medicaid budget. The bill as amended has an effective date of January 1, 2024 which could have an estimated impact of up to \$1 million in FY 2024. There is no appropriation in the bill. DVHA would likely address this in Budget Adjustment if needed.

### **Sec. 14 – Appropriation; Opioid Abatement Fund**

Sec. 14 would appropriate \$8,196,000 from the Opioid Abatement Special Fund as listed below. According to VDH, the fund currently has approximately \$10.4 million.

- \$1,980,000 for the expansion of naloxone distribution efforts. Costs include establishing harm reduction vending machines, home delivery and mail order options, and expanding the harm reduction pack and leave behind kit programs.
- \$2,000,000 divided equally between four opioid treatment programs to cover costs associated with partnering with other health care providers to expand satellite dosing of medications. This includes costs associated with expanding the satellite locations' physical facilities, staff time at these locations, and staff time at opioid treatment programs to prepare medications and coordinate with the satellite locations.
- \$1,976,000 to fund 26 outreach or case management staff positions within the preferred provider network for the provision of services that increase motivation of and engagement with individuals with substance use disorder in settings such as police barracks, shelters, social service organizations, and elsewhere in the community.
  - This subsection includes intent language that these positions would be funded annually by the Opioid Abatement Special Fund unless or until the Special Fund does not have sufficient monies to fund this expenditure.
- \$400,000 divided equally among the State's four syringe service providers to provide overdose prevention services and response education and resources that build trust between individuals with substance use disorder and Vermont's system of care.
- \$840,000 to provide contingency management services to individuals with substance use disorder.
- \$100,000 to implement a wound care telehealth consultation pilot program for the purpose of utilizing wound care experts to provide telehealth drop-in appointments to address syringe use by individuals with opioid use disorder.
- \$200,000 to expand the distribution of fentanyl test strips and, if available, xylazine test strips.
- \$700,000 to VDH's Division of Substance Use Programs to award one or more grants to an organization or organizations providing or preparing to implement drug-checking services with spectroscopy devices in a harm reduction setting. Grants awarded would be based on an applicant's ability to provide publicly available drug-checking services.

Appropriations from the Abatement Special Fund	
Naloxone distribution efforts expansion	\$1,980,000
Opioid Medication Units	\$2,000,000
Outreach and case management staff	\$1,976,000
Syringe service provider	\$400,000
Contingency management for substance use disorder	\$840,000
Wound Care Telehealth Consultation Pilot	\$100,000
Fentanyl Test Strips	\$200,000
Drug-Checking Services	\$700,000
<b>TOTAL</b>	<b>\$8,196,000</b>

## Summary

The fiscal implications of the bill include:

- An authorization of \$150,000 from the Evidence-Based Education and Advertising Fund for grants and consultations for needle and syringe disposal programs.
- An estimated annualized fiscal impact of \$1-2 million per year to the Medicaid program by changing the prescription rules around buprenorphine. There is no appropriation in the bill.
- Appropriations totaling \$8,196,000 from the Opioid Abatement Fund.