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FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/09

SPONSOR Stewart LAST UPDATED _____ HM 9

SHORT TITLE Opioid Addiction Treatment Barriers & Plan SB _____

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1	\$0.1		Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

New Mexico Pharmacy Board (Board)

New Mexico Corrections Department (NMCD)

SUMMARY

Synopsis of Bill

House Memorial 9 requests DOH to create a task force to identify the need for and barriers to access to medication-assisted treatment for New Mexicans with opioid addictions and to develop a plan to increase the availability of this treatment statewide. The task force will include members from multiple state and county agencies, community-based projects, providers and clients. Findings, recommendations and a plan are to be presented to the Legislative Health and Human Services Committee by November 1, 2009.

FISCAL IMPLICATIONS

Any fiscal impact will be balanced against the state's interest in maintaining the public health. Further fiscal and administrative impact will depend upon how often the task force meets, resources requested of state agencies, and the impact on the implementation of any recommendations made by the task force.

Medicaid Coverage of buprenorphine and/or substance abuse treatment connected with buprenorphine under Medicaid benefits will not only be a State-by-State decision, but will also be subject in most States to rules about prior authorization and medical necessity. In addition, in many States, Medicaid programs operate with a preferred drug list on which buprenorphine must be placed before it can be reimbursed. State Medicaid programs administered by HMOs may have an additional level of formulary and treatment authorization that affects whether or not buprenorphine, and treatment connected to it, is covered.

The cost of buprenorphine itself is only one part of the cost of outpatient opioid treatment, which also includes the cost of each physician visit, any charges for laboratory analyses or emergency detoxification or stabilization, and any necessary ongoing service referrals and visits that are determined by the physician who prescribes the medication.

NMCD reports that if the work of the task force leads to statewide heroin treatment, it could reduce crimes stemming from this addiction. NMCD states that drug addiction treatment for individuals has the potential to reduce the number of drug-related criminal convictions and to reduce the number of drug-related probation/parole violations for those offenders currently on probation or parole. The cost of incarceration in a private prison for a male is \$27,761 per year. The cost to incarcerate a female is \$31,600 per year. The cost for probation and parole is \$1,205 per year. The cost for an intensive supervision program is \$3,830 per year. The cost per year for males and females in a residential community corrections programs is \$25,161.

SIGNIFICANT ISSUES

The New Mexico Pharmacy Board reports that treatment of opioid addiction with methadone has been the only maintenance or detoxification choice for practitioners until recently. When the “Drug Addiction Treatment Act of 2000” became federal law the treatment options for practitioners was expanded to office-based prescribing and administration of the combination drug buprenorphine/naloxone (Schedule III narcotic).

Buprenorphine was approved by the FDA for the treatment of opioid addiction. The barriers to its use include its cost and the availability of physicians who have obtained the necessary training to prescribe it. Approximately 104 physicians have that required training in New Mexico. The average wholesale price is either \$3.90 or \$6.26 per dose. The treatment typically involves once daily dosing of the drug.

Methadone is only available for the maintenance or detoxification of opioid addicts through licensed Narcotic Treatment Programs (NTP’s). New Mexico has NTP’s in Albuquerque, Las Cruces and Santa Fe. NTP’s in Las Vegas and Espanola have all closed in the last two years. Patients must live in close proximity to a clinic in order to obtain their daily dosing of methadone.

PERFORMANCE IMPLICATIONS

Waivers to permit the prescription of Schedule III, IV, or V medications for opioid addiction treatment are available only to "qualifying physicians." The term "qualifying physician" is defined as a "physician who is licensed under State law," has DEA registration to dispense controlled substances, has the capacity to refer patients for counseling and ancillary services, will treat no more than 30 such patients at any one time, and is qualified by certification, training, and/or experience to treat opioid addiction.

ADMINISTRATIVE IMPLICATIONS

HM 9 would require many different public and private entities to participate in the opioid task force.

OTHER SUBSTANTIVE ISSUES

PED reports that the Youth Risk Resiliency Survey (YRRS) reports that 5 percent of New Mexico high school students in 2007 reported using heroin at least once.

The Drug Abuse Warning Network evaluated the frequency of death related to opioid misuse. The analysis evaluated mortality information collected in six states and New Mexico had the highest death rate per capita.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

A task force will not convene to identify the need for and barriers to access to medication-assisted treatment for New Mexicans with opioid addictions.

AHO/svb