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FISCAL IMPACT REPORT

SPONSOR Papen **ORIGINAL DATE** 2/1/16
LAST UPDATED 2/12/16 **HB** _____

SHORT TITLE Opioid Abuse Prevention and Assisted Treatment **SB** 191/aSCORC

ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Uncertain	Uncertain	Uncertain	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 191

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General’s Office (AGO)
 Administrative Office of the District Attorneys (AODA)
 Department of Health (DOH)
 Office of the Superintendent of Insurance (OSI)

Responses Not Received From

Human Services Department (HSD)
 New Mexico Corrections Department (NMCD)

SUMMARY

Synopsis of Senate Corporations and Transportation Committee Amendment

The SCRC amendment makes two changes in the bill:

1. The wording in the bill’s title is changed, clarifying the point that insurers would be prohibited from establishing conditions prior to allowing a patient to be provided with abuse-deterrent opioids. The meaning remains the same.
2. The amendment removes the requirement that one abuse-deterrent opioid be made available for every active opioid ingredient.

Synopsis of Original Bill

Senate Bill 191 contains three main provisions:

- 1) Requires DOH to post material on opioid overdose prevention on the department's website.
- 2) Requires that all health insurance plans and policies cover at least one abuse-deterrent opioid for each opioid analgesic active ingredient. (Opioid-deterrent opioids contain added ingredients that make it more difficult to abuse the drug by snorting, smoking, or intravenous injection)
- 3) Requires that the Secretary of the Department of Corrections consider making available use of medication for inmates addicted to opioids either in treating their habit or in detoxifying.

FISCAL IMPLICATIONS

There is no appropriation included in this bill. DOH has stated that posting material on its website can be achieved using current staff and resources.

OSI indicates that abuse-deterrent opioids are higher in price than opioids without the added protection, and that their use might be associated with a higher cost to insurers. However it is difficult to estimate the savings related to a decrease in emergency room visits and hospitalization that might result from fewer overdoses among those less able to abuse these medications.

A similar trade-off between the cost of medications used to treat or de-toxify inmates in correctional institutions and the cost of transportation of inmates and their emergency room visits is difficult to estimate.

SIGNIFICANT ISSUES

A central dilemma in current medical practice involves the treatment of pain. Physicians and other health care providers are charged with determining when their patients are suffering with pain (essentially impossible, as there is no objective way to assess pain in a patient and different patients experience pain differently). On the other hand, physicians have an important role in helping to control the epidemic of opioid pain medication abuse by not over-prescribing these useful but dangerous drugs.

The Department of Health encapsulates the problems addressed by SB 191 (and HB 241) as follows:

Prescription opioid products are an important component of modern pain management. However, abuse and misuse of these products have created a serious and growing public health problem. One potentially important step towards the goal of creating safer opioid analgesics has been the development of opioids that are formulated to deter abuse. FDA considers the development of these products a high public health priority (fda.gov).

New Mexico's drug overdose death rate has been one of the highest in the nation for most of the last two decades. New Mexico's death rate has more than tripled since 1990. While deaths due to illicit drugs have remained steady during the past decade, deaths due to

prescription drugs, particularly opioid pain relievers, have increased dramatically. In addition to the high death rates, drug abuse is one of the most costly health problems in the U. S. in 2007. Based on a national methodology derived by Birnbaum et al. in 2011, it was estimated that prescription opioid abuse, dependence, and misuse cost New Mexico \$890 million ([Societal costs of opioid abuse, dependence, and misuse in the United States. Pain Medicine, 12\(4\):657-667](#)). In 2013, New Mexico had the third highest total drug overdose death rate in the nation (<https://ibis.health.state.nm.us/report/saepi/summary/DrugOverdoseDth.html>).

Since opiate overdoses result from a variety of prescribed and illicit opiates from a variety of sources, a response will be most effective if it has multiple approaches that both prevent and respond quickly when they occur. The approaches proposed in this bill have potential to contribute effectively towards that goal.

PERFORMANCE IMPLICATIONS

The Attorney General’s Office notes that this bill directs the Secretary of Corrections to “consider” the use of medication-assisted treatment for inmates with opioid addiction, but does not define the term “consider,” nor make any requirement as to how the Secretary of Corrections to report on how she or he might be considering the issue.

DOH notes that “HB 241 relates to DOH FY2016 Strategic Plan, Goal 1: Improved Health Outcomes for the People of NM. The objective is to ‘prevent drug overdose deaths’ (NMDOH Strategic Plan Fy2014-2016, pg. 48 <http://nmhealth.org/publication/view/plan/1347/>).”

DUPLICATES

Senate Bill 191.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo, with continuing emergencies and deaths from opioid use and overdoses.

As noted by the Attorney General’s Office,

New Mexico is facing a drug overdose epidemic. According to a report published in the Albuquerque Journal on July 24th 2015, more New Mexicans died in 2014 of drug overdoses than in any other year on record. The New Mexico Department of Health reported that 536 deaths in 2014 marked a 19% increase over the year before. On April 1, 2015, the FDA released its final guidance on the evaluation of labeling of abuse-deterrent opioids. In its news release of that date, it stated, “To help support the safe use of all opioid products, the FDA is working in many other ways to help prescribers and patients make the best possible choices about how to use these powerful drugs. The agency’s goal is to find the balance between appropriate access to opioids for patients with pain and the need to reduce opioid misuse and abuse.” In a release dated October 17, 2014, the FDA, noted that the science behind abuse –deterrent opioids is still evolving and that they can be a part of a comprehensive approach to combat prescription drug abuse. This suggests, that the use of abuse-deterrent opioids will be more widespread.

POSSIBLE QUESTIONS OR AMENDMENTS

Definition of the word “consider” regarding the Secretary of Corrections’ role in medication-assisted treatment of inmates.

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