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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/25/12

SPONSOR Martinez, R. LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Medical Assistance for Methadone Therapy SB 106

ANALYST Geisler

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Medicaid Costs</b>		\$565.8	\$565.8	\$1,131.6	Recurring	General
<b>Medicaid Costs</b>		\$1,234.2	\$1,234.2	\$2,468.4	Recurring	Federal
<b>Total</b>		\$1,800.0	\$1,800.0	\$3,600.0	Recurring	

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Senate Bill 90

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Human Services Department (HSD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 106 would enact a new section of the Public Assistance Act to require the Human Services Department Medical Assistance Division (HSD/MAD) to provide, through its medical assistance programs, coverage for methadone replacement therapy when prescribed by an authorized practitioner.

### FISCAL IMPLICATIONS

SB 106 does not contain an appropriation.

HSD/MAD estimates 250 Medicaid-eligible persons would benefit from the requirements of the bill. Currently through OptumHealth New Mexico, the HSD Behavioral Health Services Division (HSD/BHSD) funds the administration of methadone for methadone replacement therapy, more commonly known as medication-assisted treatment (MAT). HSD estimates that

10% of the 2,500 clients currently receiving services at New Mexico’s 10 NM clinics providing methadone treatment services are Medicaid eligible.

HSD estimates these services for Medicaid-eligible individuals, including the cost of the medication, administering the methadone dose, counseling, and transportation, would cost \$20 per person per day. Based on daily administration of this therapy, the combined Federal/State cost is estimated at \$1.8 million (250 x 20 x 365); figuring a Federal match of 69%, the cost to the State would be \$565.8 thousand per year.

## **SIGNIFICANT ISSUES**

Methadone, when used for MAT for opioid addiction, must be dispensed by an Opioid Treatment Program (OTP) that is regulated by Drug Enforcement Agency and certified by the HSD/BHSD as the federally designated State Opioid Treatment Authority. Currently, New Mexico has 10 OTPs that serve about 2,500 persons at any point in time. These programs are located in Rio Arriba, Santa Fe, Bernalillo, and Valencia counties. Five of these programs receive varying degrees of State funding. None are fully funded by the State.

According to the National Conference of State Legislatures, 30 states currently allow Medicaid to pay for some level of MAT using methadone. (Medicaid Financing of Medication-Assisted Treatment for Opiate Addiction (<http://www.ncsl.org/issues-research/health/mat-opiate-50-state-table-medicaid.aspx>) HSD estimates that, excluding pregnant and postpartum women, less than 10% of the individuals currently receiving methadone are Medicaid eligible.

## **PERFORMANCE IMPLICATIONS**

HSD’s Strategic Goal 4, ‘Improve Behavioral Health’ relates to SB 106, specifically:

- Task 4.2: Reduce adverse impacts of substance abuse and mental illness on individuals, families and communities and
- Task 4.3: Promote recovery and resiliency for high-risk and high-need individuals with mental illness and/or substance abuse to successfully manage life challenges, and to live, work, learn and participate fully in their communities by increasing access to housing, education, employment, transportation and positive social interactions.

## **RELATIONSHIP**

Senate Bill 106 relates to SB 90, Overdose Prevention Campaign.

## **ALTERNATIVES**

HSD could explore what changes to its State Plan and regulations would be necessary to cover this service in lieu of legislation. Additional costs as discussed above would remain.

GG/svb