Date: March 9, 2018 **Staff:** Alyson Williams	**POLICY ANALYSIS** **PREPARED FOR THE BOARD OF DIRECTORS**	Health District OF NORTHERN LARIMER COUNTY

HB18-1007 SUBSTANCE USE DISORDER PAYMENT AND COVERAGE:

Concerning payment issues related to substance use disorders

Details

Bill Sponsors:	House – *Kennedy (D) and Singer (D),* Pettersen (D) Senate – *Lambert (R), and Jahn (D),* Aguilar (D), Tate (R)
Committee:	House Committee on Public Health Care & Human Services
Bill History:	1/10/2018-Introduced in House-Assigned to Public Health Care & Human Services
Next Action:	3/13/2018- Hearing in House Committee on Public Health Care & Human Services

Bill Summary

This bill does many things:

- Dictates that all individual and group health benefit plans must provide coverage, without prior authorization, for 5-day supply of buprenorphine if it is the patient's first request in past 12 months.
- Mandates that all individual and group health benefit plans must cover physical therapy, acupuncture, or chiropractic services at the same cost, or less, than the cost for primary care services for authorized patients that have been diagnosed with chronic pain and has/had a substance use disorder diagnosis.
- Dictates that patient satisfaction surveys relating to pain management cannot be solely used to determine incentives/ disincentives for providers from insurance carriers.
- Characterizes medication-assisted treatment (MAT) as an urgent prior authorization request for carriers.
- Assures that a pharmacist that has a collaborative pharmacy practice agreement to administer injectable MAT and receive an enhanced dispensing fee from both public and private insurance carriers.
- Prohibits private and public insurance from requiring step-therapy using prescription opioids before covering a non-opioid prescription that has been recommended by provider.
- Establishes rules that standardize the utilization management authority timelines for the non-pharmaceutical components of MAT.
- Requires Colorado's Medicaid program to authorize reimbursement for FDA-approved, ready-to-use version of intranasal naloxone without prior authorization.

Issue Summary

Medication-Assisted Treatment (MAT)

The Substance Abuse and Mental Health Services Administration (SAMHSA) defines MAT as medications utilized with counseling and behavioral therapies to treat substance use disorders and to prevent opioid overdose.[1] Currently, there are three classes of medications that that have been approved by the Food and Drug Administration (FDA) to treat opioid use disorders: methadone, buprenorphine, and naltrexone.[2] Methadone is an opioid agonist that reduces the symptoms of opioid withdrawal while blocking the euphoric effects of most opioids, including heroin.[1] Methadone is required to be administered daily in an office setting

[1] Substance Abuse and Mental Health Services Administration (2015). *Medication and Counseling Treatment.* Retrieved from https://www.samhsa.gov/medication-assisted-treatment/treatment#medications-used-in-mat

[2] California Health Care Foundation (Sept. 2017). *Why Health Plans Should Go to the "MAT" in the Fight Against Opioid Addiction.* Retrieved from https://www.chcf.org/wp-content/uploads/2017/12/PDF-Why-Health-Plans-Should-Go-to-the-MAT.pdf

for the first few years of maintenance treatment. Federal rules require methadone to be prescribed and dispensed by a certified Opioid Treatment Program. Buprenorphine is an opioid partial agonist that can reduce the effects of withdrawal but it produces effects such as euphoria or respiratory depression.[1] Since buprenorphine has these effects it is often produced in combination with naloxone to reduce the potential for misuse.[1] With naltrexone, the medication blocks both the euphoric and sedative effects of opioids; additionally, a patient is to abstain from opioids for 7-10 days for beginning the medication.[1] Injectable naltrexone must be administered in a health care setting by a licensed provider, which includes pharmacists.

The Colorado Health Institute has released analysis that details that lack of access to MAT in Colorado.[3] More than half a million Coloradans have little or no access to MAT in the counties where they reside. The Keystone Policy Center report noted that broad access to MAT is developing slowly in Colorado due to inability to pay for the treatment, provider discomfort, and lack of information about administration.[4] A suggestion made in the report included expanding the payment methodology for MAT. In Larimer County there are approximately thirteen clinics and providers that are serving residents with MAT services. Of these, six clinics provide Vivitrol®, the brand name of the drug naltrexone. Of these six, five accept Medicaid. The situation is similar for methadone access as only one entity provides this medication. Conversely, almost all of entities and providers prescribe Suboxone®, the brand name of the combination buprenorphine and naloxone drug.

The Department of Health Care Policy and Financing (HCPF) currently provides coverage all of the types of MAT.[5] This includes Vivitrol®, the brand name of the drug naltrexone; however, prior authorization must be requested by the patient in certain circumstances, but if given in a physician's office or hospital it will be billed as a medical expense.[5] Suboxone® will be approved by the program if certain criteria are met: if the provider is an authorized prescriber, the member has an opioid dependency, the member is no longer using opioids, and the prescription is less than 24mg per day.[5] Most of the medications in the MAT category require at least one step of prior authorization, requiring the failure of another medication for the prior authorization request to be approved.[5] Private plans also have certain pharmacy benefits for their covered members. For example, Kaiser Permanente's Colorado Formulary from January 1, 2018, lists buprenorphine –naloxone (the chemical composition of Suboxone®) as a tier 1 (preferred generic drug) but places quantity limit on coverage.[6]

Coverage for Pain Management Services

A presentation from the Colorado Chapter of the American Physical Therapist Association detailed the studies that have demonstrated that early access to physical therapy decreases opioid use while lowering costs.[7] Decreasing the out-of-pocket costs associated with accessing physical therapy addresses a potential hurdle to early entrance to the service. The presenter also noted that third-party utilization reviews can delay or prevent physical therapy care for the patient. In the Colorado Medicaid program, a prescription for physical therapy services is required and 48 hours of physical therapy are allowed in a 12-month period.[8]

---

[3] Colorado Health Institute (May 2017). *Miles Away from Help: The Opioid Epidemic and Medication-Assisted Treatment in Colorado.* Retrieved from https://www.coloradohealthinstitute.org/sites/default/files/file_attachments/2017%20MAT%20report.pdf . Accessed on December 7, 2017.

[4] Keystone Policy Center (Feb 2017). *Bridging the Divide: Addressing Colorado's Substance Use Disorder Needs.* Retrieved from http://leg.colorado.gov/sites/default/files/17opioid0801attachh.pdf . Accessed on Dec 5, 2017.

[5] Colorado Department of Health Care Policy and Financing. (2018). *Health First Colorado Pharmacy Benefits.* Retrieved from https://www.colorado.gov/hcpf/medicaid-pharmacy-benefits

[6] Kaiser Permanente (Jan.1, 2018). *Kaiser Permanente Colorado Commercial Formulary.* Retrieved from https://healthy.kaiserpermanente.org/static/health/pdfs/formulary/col/co_marketplace_formulary.pdf

[7] Flynn, T. (2017). *Improved and Timely Access to Physical Therapy Decreases Opioid Use and Lowers Cost.* Retrieved from http://leg.colorado.gov/sites/default/files/apta._opioid_task_force_presentation_8.22.17.pdf . Accessed on Dec 6, 2017.

[8] Centers for Medicare and Medicaid Services. (Feb. 9. 2018). *Colorado State Plan Amendment #17-0038*. Retrieved from https://www.medicaid.gov/State-resource-center/Medicaid-State-Plan-Amendments/Downloads/CO/CO-17-0038.pdf

Acupuncture/acupressure are widely used for chronic pain despite mixed results in studies and uncertainty about mechanism of action. A meta-analysis of 29 randomized trials that compared acupuncture with "sham" acupuncture showed a significant benefit for acupuncture for any of four conditions—chronic nonspecific musculoskeletal pain (e.g., low back pain), osteoarthritis, chronic headache, and shoulder pain). The researchers estimated that response rates for at least a 50% reduction in pain were 50% for real acupuncture, 42% for sham acupuncture, and 30% for no acupuncture.[9] The risks associated with acupuncture are very low as adverse effects are exceedingly uncommon. Ohio's Medicaid program recently expanded its benefits to include 30 acupuncture and acupuncture plus electrotherapy visits a year for pain management by both acupuncturists and chiropractors.[10]

Patient Satisfaction Surveys

In 2016, the Centers for Medicare and Medicaid Services (CMS) removed the pain management questions from the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey, which is tied to hospital Medicare reimbursement.[11] CMS' decision was influenced by provider concerns that these questions can have an effect on prescribing practices.

The Colorado Chapter of the American College of Emergency Physicians (COACEP) promulgated practice and policy recommendations regarding opioids.[12] One of COACEP's policy recommendations is to remove pain "from patient satisfaction surveys, as they may unfairly penalize physicians for exercising proper medical judgement."[13] COACEP notes that pain has been regarded as a patient's "fifth vital sign," and opioids have been increasingly prescribed to bring the patient back to equilibrium.[13] This has generated an overemphasis on a patient's pain and the quickest way to treat it. Although this pain measure is subjective, it is a component of patient satisfaction ratings, thus many physicians feel compelled to address it with opioids to negate any sense of pain or discomfort the patient is experiencing.

The Use of Non-Opioids

In the 2017 COACEP practice and policy recommendations regarding opioids, adopted a strategy known as Alternatives to Opioids (ALTO) to greater utilize non-opioids for pain management.[13] The ALTO strategy recommends the use of effective non-opioids and to use opioids as secondary treatment in the emergency department. Some of these alternatives include lidocaine, nitrous oxide, and nonsteroidal anti-inflammatory drugs (NSAIDs).[13] Some of these drugs are not for home-use outside of a health facility so are not included in preferred drug lists for insurance plans. However, a federal report from the President's Commission found that many of these ALTOs are bundled in federal reimbursement policies, so the providers are essentially not covered to prescribe these medications.[13] In the Colorado Health First program, many NSAIDs are covered by the pharmacy benefit, with many not requiring prior authorizations.[5]

---

[9] Vickers, A.J., Cronin, A.M., Maschino, A.C., et al. (2012). Acupuncture for chronic pain: individual patient data meta-analysis. *Arch Intern Med;* 172(19) 1444-53. doi: 10.1001/archinternmed.2012.3654.

[10] Schroeder, K. (Dec. 25, 2017). Ohioans with Medicaid can get acupuncture for pain next year. *Dayton Daily News.* Retrieved from https://www.daytondailynews.com/news/local/ohioans-with-medicaid-can-get-acupuncture-for-pain-next-year/x4Nimi4R8jIRksnsyPumKP/

[11] Centers for Medicare & Medicaid Services (Nov. 1. 2016). *CMS Finalizes Hospital Outpatient Prospective Payment System Changes to Better Support Hospitals and Physicians and Improve Patient Care.* Retrieved from https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2016-Press-releases-items/2016-11-01.html

[12] Colorado Chapter of the American College of Emergency Physicians (2017). *2017 Opioid Prescribing and Treatment Guidelines: Confronting the Opioid Epidemic in Colorado's Emergency Departments.* Retrieved from http://coacep.org/docs/COACEP_Opioid_Guidelines-Final.pdf

[13] The President's Commission on Combating Drug Addiction and the Opioid Crisis. (Nov. 2017). *Final Report.* Retrieved from https://www.whitehouse.gov/sites/whitehouse.gov/files/images/Final_Report_Draft_11-1-2017.pdf

Utilization Management

The utilization management program in Health First Colorado is called the Colorado Prior Authorization Requests Program (ColoradoPAR).[14] This program performs prior authorization requests (PARs) to ensure that requested services and products meet guidelines and the program's policies. The program handles PARs for behavioral therapies, which is a component of MAT.

Intranasal Naloxone

Naloxone is a commonly used opioid antagonist utilized to reverse an opioid overdose. There are three methods to administer this drug: injectable, auto-injectable, and nasal spray. The auto-injectable and nasal spray can be used by the lay public. As of summer 2017, 400 Colorado pharmacies stock and 140 law enforcement departments carry naloxone.[15] In 2016, the Colorado Office of the Attorney General provided funding to make a purchase of 2,500 dual-dose naloxone kits and provide 6 regional trainings.[16] The intranasal form of naloxone, brand name Narcan®, is covered by Colorado's Health First program without a prior authorization.[5] However, the number of refills of Narcan® covered by the program is limited.

This Legislation

This bill requires all individual and group health insurance plans to cover a five day supply of buprenorphine without a prior authorization, if this is the patient's first request in the past twelve months. Additionally, there must be parity between acupuncture, physical therapy, as well as chiropractic care and primary care services in regards to dollar limits, deductibles, copayments, and coinsurance. This provision is only applicable if these services are covered benefits by the health plan and the patient has chronic pain and has/had a substance use disorder.

In contracts between insurance carriers and medical providers, a statement must be included to prohibit the carriers from taking adverse action against or providing financial incentives/disincentives for the medical providers based solely on patient feedback or surveys regarding pain management.

The bill alters the definition of what constitutes an "urgent prior authorization request" to include the addition of any prior authorization request for MAT for substance use disorders.

The bill mandates that a pharmacist that is in a collaborative practice agreement with at least one physician can administer injectable MAT and receive an enhanced dispensing fee that aligns with the administrative fee that a physician would receive to administer the MAT.

Under this legislation, an insurance carrier cannot require a patient to undergo step-therapy utilizing drugs that contain opioids before authorizing coverage of non-opioids if the provider has recommended the non-opioid drug.

The Department of Health Care Policy and Financing (HCPF) and the Office of Behavioral Health within the Department of Human Services are required to develop and implement rules regarding the standardization

---

[14] Colorado Department of Health Care Policy and Financing (n.d.) *Colorado Prior Authorization Requests Program (CO-PAR).* Retrieved from https://www.colorado.gov/pacific/hcpf/colorado-prior-authorization-requests-program-co-par

[15] Colorado Office of Behavioral Health, prepared by Colorado Health Institute (July 28, 2018). *Needs Assessment for the SAMHSA State Targeted Response to the Opioid Crisis Grant.* Retrieved from https://coag.gov/sites/default/files/contentuploads/oce/Substance_Abuse_SA/SATF-reports/11th_annual_substance_abuse_task_force_report_2016_final_2.pdf

[16] Colorado Substance Abuse Trend and Response Task Force (Jan 2017). *Eleventh Annual Report.* Retrieved from https://coag.gov/sites/default/files/contentuploads/oce/Substance_Abuse_SA/SATF-reports/11th_annual_substance_abuse_task_force_report_2016_final_2.pdf

of the utilization management authority timelines for the non-pharmaceutical components of MAT. In this process, the agencies are to consult with community mental health service providers.

The State Board of Health is to implement the following two provisions regarding the treatment of substance use disorders under Medicaid. First, intranasal naloxone shall be available without prior authorization and be reimbursable. Secondly, as addressed previously, it would prohibit Colorado's Medicaid program from requiring step therapy using opioid drugs before authorizing the use of non-opioids, if the non-opioid is recommended by the provider. Finally, as required for private health insurers, a pharmacist that is in a collaborative practice agreement with at least one physician can administer injectable MAT and must receive an enhanced dispensing fee from the Colorado Medicaid program.

Reasons to Support

When a patient has decided to seek care and treatment for their opioid use disorder, delaying or interrupting that process by requiring a prior authorization could have a negative impact on that person's continuation of care and health. If a person is not able to access treatment in a timely manner, there is a risk of continuing to use opioids and even overdose. By allowing for buprenorphine to be prescribed without a prior authorization for five days allows the provider and the insurance carrier time to complete further utilization management requirements to ensure the patient can receive timely and appropriate care. Removing pain management satisfaction as a component of provider satisfaction surveys will allow a patient's subjective perspective from altering the practices of a provider. Reimbursing pharmacists that administer injectable naltrexone, or any future injectable medication, with a higher dispensing rate will create a greater incentive to administer this medication utilized in MAT. By allowing the providers to prescribe non-opioids before the deployment of opioids it gives stronger emphasis to the provider/patient relationship and takes the pharmacy benefit manager or insurance company out of the medical office. Reviewing the utilization management criteria used for the therapy portion of MAT will allow both the medication and the therapy to work more smoothly as a single method of treating substance use disorders. Ensuring the continued coverage of intranasal naloxone by the Colorado Health First program will allow the community members and those at risk of overdose to more easily access this life-saving medication.

Supporters

- AARP
- Alkermes
- Colorado Academy of Family Physicians
- Colorado Chiropractic Association
- Colorado Coalition for the Homeless
- Colorado Consumer Health Initiative
- Colorado Hospital Association
- Colorado Mental Wellness Network
- Colorado Rural Health Center
- Denver Health & Hospital Authority
- Healthier Colorado
- League of Women Voters of Colorado
- National Alliance on Mental Illness
- Peer Assistance Services
- Public Health Nurses Association of Colorado
- RxPlus Pharmacies
- University of Colorado Health

Reasons to Oppose

Opponents may say that this infringes on the business practices of health plans to ensure that their members are provided with appropriate, affordable, and quality care. Some may say that requiring prior authorization requests and reimbursement rates for private plans in state statute interferes with the company's ability to complete its mission and goals effectively. Others may assert that covering MAT is irresponsible and a wasted use of funds as one opioid is just being replaced by another. Similarly, some may allege that there is a "moral hazard" of having easy access to naloxone, as it removes the consequence of overdose for those who abuse opioids. As the Colorado state agencies are conducting stakeholder engagement on issues

relating to opioids to conduct further rulemaking, making these requirements through the legislative body may not be the most appropriate forum for these issues.

Opponents

- Anthem/Anthem Blue Cross Blue Shield
- Colorado Association of Commerce & Industry
- Colorado Association of Health Plans
- Kaiser Foundation Health Plan
- Kaiser Permanente

About this Summary

This analysis was prepared by Health District of Northern Larimer County staff to assist the Health District Board of Directors in determining whether to take an official stand on various health-related issues. The Health District is a special district of the northern two-thirds of Larimer County, Colorado, supported by local property tax dollars and governed by a publicly elected five-member board. The Health District provides medical, mental health, dental, preventive and health planning services to the communities it serves. For more information about this summary or the Health District, please contact Alyson Williams, Policy Coordinator, at (970) 224-5209, or e-mail at awilliams@healthdistrict.org.