

**30:4D-6m & 30:4D-6n and TEMPORARY & EXECUTED
LEGISLATIVE HISTORY CHECKLIST**

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LAWS OF: 2019 **CHAPTER:** 163

NJSA: 30:4D-6m & 30:4D-6n and TEMPORARY & EXECUTED (Requires DHS to ensure medication assisted treatment benefits under Medicaid program are provided without the imposition of prior authorization requirements.)

BILL NO: A4744 (Substituted for S3314)

SPONSOR(S) Louis D. Greenwald and others

DATE INTRODUCED: 12/3/2018

COMMITTEE: **ASSEMBLY:** Human Services
Appropriations
SENATE: Health, Human Services & Senior Citizens
Budget & Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 5/23/2019

SENATE: 5/30/2019

DATE OF APPROVAL: 7/15/2019

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (First Reprint enacted) Yes

A4744

SPONSOR'S STATEMENT: (Begins on page 2 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes Human Services
Appropriations

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes 3/13/2019
5/29/2019

S3314

SPONSOR'S STATEMENT: (Begins on page 2 of introduced bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes Health, Hum. Serv. & Senior Cit.
Budget & Appropriations

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at www.njleg.state.nj.us)

(continued)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: Yes

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RWH/CL

§§1,3 -
C.30:4D-6m &
30:4D-6n
§2 - T&E
§4 - Note

P.L. 2019, CHAPTER 163, *approved July 15, 2019*
Assembly, No. 4744 (*First Reprint*)

1 AN ACT concerning medication assisted treatment for substance use
2 disorders and supplementing P.L.1968, c.413 (C.30:4D-1 et
3 seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. a. Notwithstanding any State law or regulation to the contrary,
9 the Department of Human Services shall ensure that the provision of
10 benefits for ¹**[medication assisted treatment]** methadone,
11 buprenorphine, naltrexone, combination drugs containing
12 buprenorphine and naloxone, and, if authorized by the Commissioner
13 of Human Services, other medications approved by the federal Food
14 and Drug Administration for the treatment of substance use disorders,
15 to eligible persons receiving services funded by the Division of Mental
16 Health and Addiction Services in the Department of Human Services
17 as well as¹ to eligible persons under the Medicaid program, established
18 pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.), shall be provided
19 without the imposition of any prior authorization requirements ¹**[or**
20 **other prospective utilization management requirements]**¹, provided
21 that the treatment is prescribed ¹or administered¹ by a licensed medical
22 practitioner who is authorized to prescribe ¹**[methadone,**
23 **buprenorphine, and naltrexone** and provided by a licensed health care
24 professional or a licensed or certified substance use disorder provider
25 in a licensed or otherwise State-approved facility, as required by the
26 laws of the state in which the treatment is rendered] or administer that
27 treatment pursuant to State and federal law. The Commissioner of
28 Human Services may develop and issue guidelines to ensure the safety
29 and efficacy of benefits provided pursuant to this section¹.

30 b. As used in this ¹**[Act]** act¹:

31 ¹**[“Medication assisted treatment” means the use of methadone,**
32 **buprenorphine, naltrexone to provide a comprehensive approach to the**
33 **treatment of substance use disorders.]**¹

34 “Substance use disorder” is as defined by the American Psychiatric
35 Association in the Diagnostic and Statistical Manual of Mental

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AAP committee amendments adopted May 20, 2019.

1 Disorders, Fifth Edition and any subsequent editions and shall include
2 substance use withdrawal.

3

4 2. The Commissioner of Human Services shall apply for such
5 State plan amendments or waivers as may be necessary to
6 implement the provisions of this act and to secure federal financial
7 participation for State Medicaid expenditures under the federal
8 Medicaid program.

9

10 3. The Commissioner of Human Services, pursuant to the
11 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
12 1 et seq.), shall adopt rules and regulations necessary to implement
13 the provisions of this act.

14

15 4. This act shall take effect on the 90th day next ¹**[after]**
16 following the date of enactment.

17

18

19

20

21 _____
22 Requires DHS to ensure medication assisted treatment benefits
23 under Medicaid program are provided without the imposition of
prior authorization requirements.

ASSEMBLY, No. 4744

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED DECEMBER 3, 2018

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman JOHN ARMATO

District 2 (Atlantic)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Co-Sponsored by:

**Assemblyman A.M.Bucco, Assemblywomen Downey, Swain, Assemblymen
Karabinchak, Chiaravalloti and Assemblywoman Pinkin**

SYNOPSIS

Requires DHS to ensure medication assisted treatment benefits under Medicaid program are provided without the imposition of prior authorization requirements.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/1/2019)

1 AN ACT concerning medication assisted treatment for substance use
2 disorders and supplementing P.L.1968, c.413 (C.30:4D-1 et
3 seq.).

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. a. Notwithstanding any State law or regulation to the
9 contrary, the Department of Human Services shall ensure that the
10 provision of benefits for medication assisted treatment to eligible
11 persons under the Medicaid program, established pursuant to
12 P.L.1968, c.413 (C.30:4D-1 et seq.), shall be provided without the
13 imposition of any prior authorization requirements or other
14 prospective utilization management requirements, provided that the
15 treatment is prescribed by a licensed medical practitioner who is
16 authorized to prescribe methadone, buprenorphine, and naltrexone
17 and provided by a licensed health care professional or a licensed or
18 certified substance use disorder provider in a licensed or otherwise
19 State-approved facility, as required by the laws of the state in which
20 the treatment is rendered.

21 b. As used in this Act:

22 "Medication assisted treatment" means the use of methadone,
23 buprenorphine, and naltrexone to provide a comprehensive
24 approach to the treatment of substance use disorders.

25 "Substance use disorder" is as defined by the American
26 Psychiatric Association in the Diagnostic and Statistical Manual of
27 Mental Disorders, Fifth Edition and any subsequent editions and
28 shall include substance use withdrawal.

29
30 2. The Commissioner of Human Services shall apply for such
31 State plan amendments or waivers as may be necessary to
32 implement the provisions of this act and to secure federal financial
33 participation for State Medicaid expenditures under the federal
34 Medicaid program.

35
36 3. The Commissioner of Human Services, pursuant to the
37 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
38 1 et seq.), shall adopt rules and regulations necessary to implement
39 the provisions of this act.

40
41 4. This act shall take effect on the 90th day next after
42 enactment.

43
44

45 STATEMENT

46
47 This bill requires the Department of Human Services to ensure that
48 the provision of benefits for medication assisted treatment to eligible
49 persons under the Medicaid program, established pursuant to

1 P.L.1968, c.413 (C.30:4D-1 et seq.), are provided without the
2 imposition of any prior authorization requirements or other prospective
3 utilization management requirements, provided that the treatment is
4 prescribed by a licensed medical practitioner who is authorized to
5 prescribe methadone, buprenorphine, and naltrexone and provided by a
6 licensed health care professional or a licensed or certified substance
7 use disorder provider in a licensed or otherwise State-approved
8 facility, as required by the laws of the state in which the treatment is
9 rendered.

10 As defined in the bill, “medication assisted treatment” means the
11 use of methadone, buprenorphine, and naltrexone to provide a
12 comprehensive approach to the treatment of substance use
13 disorders. The bill defines “substance use disorder” as defined in
14 the American Psychiatric Association in the Diagnostic and
15 Statistical Manual of Mental Disorders, Fifth Edition and any
16 subsequent editions and shall include substance use withdrawal.

17 The science of addiction medicine is increasingly finding that
18 substance use disorders can be most effectively treated with
19 medication assisted treatment. As indicated in the bill, some of the
20 medications used in such treatments include methadone,
21 buprenorphine, and naltrexone. Generally, methadone and
22 buprenorphine are used to lessen withdrawal symptoms from
23 opioids, while naltrexone prevents the effects of any opioids taken
24 during the withdrawal period. Requiring prior preauthorization to
25 administer these drugs, however, may delay treatment for several
26 days, thereby potentially missing the opportunity to intervene with
27 patients struggling with addiction. This bill aims to remove such an
28 access barrier to the treatment of opioid dependency for Medicaid
29 recipients.

ASSEMBLY HUMAN SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4744

STATE OF NEW JERSEY

DATED: JANUARY 24, 2019

The Assembly Human Services Committee reports favorably Assembly Bill No. 4744.

This bill requires the Department of Human Services to ensure that the provision of benefits for medication assisted treatment to eligible persons under the Medicaid program, established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.), are provided without the imposition of any prior authorization requirements or other prospective utilization management requirements, provided that the treatment is prescribed by a licensed medical practitioner who is authorized to prescribe methadone, buprenorphine, and naltrexone and provided by a licensed health care professional or a licensed or certified substance use disorder provider in a licensed or otherwise State-approved facility, as required by the laws of the state in which the treatment is rendered.

As defined in the bill, “medication assisted treatment” means the use of methadone, buprenorphine, and naltrexone to provide a comprehensive approach to the treatment of substance use disorders. The bill defines “substance use disorder” as defined in the American Psychiatric Association in the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition and any subsequent editions and shall include substance use withdrawal.

The science of addiction medicine is increasingly finding that substance use disorders can be most effectively treated with medication assisted treatment. As indicated in the bill, some of the medications used in such treatments include methadone, buprenorphine, and naltrexone. Generally, methadone and buprenorphine are used to lessen withdrawal symptoms from opioids, while naltrexone prevents the effects of any opioids taken during the withdrawal period. Requiring prior preauthorization to administer these drugs, however, may delay treatment for several days, thereby potentially missing the opportunity to intervene with patients struggling with addiction. This bill aims to remove such an access barrier to the treatment of opioid dependency for Medicaid recipients.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4744

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 20, 2019

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 4744.

As amended by the committee, this bill requires the Department of Human Services (DHS) to ensure that the provision of benefits for certain medication assisted treatment drugs to eligible persons receiving services funded by the Division of Mental Health and Addiction Services in DHS as well as to eligible persons under the Medicaid program, established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.), are provided without the imposition of any prior authorization requirements, provided that the treatment is prescribed or administered by a licensed medical practitioner who is authorized to prescribe or administer the treatment pursuant to State and federal law. The Commissioner of Human Services may develop and issue guidelines to ensure the safety and efficacy of benefits provided under the bill.

The covered drugs include methadone, buprenorphine, naltrexone, combination drugs containing buprenorphine and naloxone, and, if authorized by the Commissioner of Human Services, other medications approved by the federal Food and Drug Administration to treat substance use disorders.

COMMITTEE AMENDMENTS:

The committee amendments provide that the bill will apply to eligible individuals receiving services through the Division of Mental Health and Addiction Services in the Department of Human Services as well as to Medicaid beneficiaries.

The committee amendments remove a provision that provided that benefits for medication-assisted treatment are to be provided without any other prospective utilization management requirements.

The committee amendments revise the requirements for Medicaid coverage for medication-assisted treatment to provide that the treatment is to be prescribed or administered by a health care practitioner authorized to prescribe or administer the treatment pursuant to State and federal law.

The committee amendments remove the definition of “medication assisted treatment” and instead list the specific medications that will be

included under the bill: methadone, buprenorphine, naltrexone, and combination drugs containing buprenorphine and naloxone. The committee amendments specify that coverage for medications approved by the federal Food and Drug Administration for the treatment of substance use disorders other than those drugs specifically enumerated in the bill will be subject to authorization by the Commissioner of Human Services.

The committee amendments provide that the Commissioner of Human Services may develop and issue guidelines to ensure the safety and efficacy of benefits provided pursuant to the bill.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that this bill will result in an indeterminate annual increase in State expenditures incurred by the Department of Human Services (DHS) due to a potential increase in the number of beneficiaries within the Mental Health Fee for Service (MH FFS) program who are provided certain medications for the treatment of substance use disorders. The increase in beneficiaries will be attributable to the removal of prior authorization requirements for such medications. The OLS cannot quantify the impact of the bill due to a lack of data indicating the current cost of these medications for MH FFS program beneficiaries and how many beneficiaries are denied benefits for such medications in the prior authorization process.

The medications enumerated in the bill are provided to Medicaid enrollees without prior authorization as of April 1, 2019. As a result, the bill will have no impact with regard to the provision of these medications to Medicaid clients.

Research suggests that access to the medications included in the bill can result in long-term savings in the provision of other medical benefits to individuals with substance use disorders.”

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4744
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: MARCH 13, 2019

SUMMARY

Synopsis: Requires DHS to ensure medication assisted treatment benefits under Medicaid program are provided without the imposition of prior authorization requirements.

Type of Impact: None.

Agencies Affected: Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Impact	None

- The Office of Legislative Services (OLS) concludes that the enactment of this bill will have no fiscal impact on the State due to the recent adoption of a policy that reflects the bill's provisions by the Department of Human Services (DHS).
- On January 23, 2019, the Executive announced the removal of any requirements for prior authorization for the provision of medication assisted treatment (MAT) to Medicaid enrollees, the same provisions outlined in this bill, effective as of April 1, 2019.

BILL DESCRIPTION

This bill requires the DHS to provide MAT to eligible Medicaid enrollees without the imposition of any prior authorization requirements or other prospective utilization management requirements if certain conditions are satisfied. Treatment must be prescribed by a licensed medical practitioner who is authorized to prescribe methadone, buprenorphine, and naltrexone and provided by a licensed health care professional or a licensed or certified substance use disorder provider in a licensed or otherwise State-approved facility. "Medication assisted treatment" means the use of methadone, buprenorphine, and naltrexone to provide a comprehensive approach to the treatment of substance use disorders.

FISCAL ANALYSIS***EXECUTIVE BRANCH***

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill will have no fiscal impact on the State due to the DHS' recent adoption of a policy that reflects the bill's provisions.

New Jersey's Medicaid program currently covers the three MAT medications listed in this bill: methadone, buprenorphine and naltrexone. To access the medications Medicaid enrollees currently must receive prior authorization.

On January 23, 2019, the Executive announced the removal of any requirements for prior authorization for the provision of MAT to Medicaid enrollees, the same provisions outlined in this bill, effective on April 1, 2019.¹ Furthermore, testimony provided by the New Jersey Association of Health Plans to the Assembly Human Services Committee on January 24, 2019 related that the DHS conferred with the five Medicaid managed care organizations to reach an agreement to remove prior authorization for the provision of MAT.

For reference, the OLS estimates that the elimination of prior authorization requirements for MAT under the Medicaid program would result in an indeterminate increase in State expenditures due to a potential increase in the number of beneficiaries who receive such treatment. Any expense incurred by the State would be matched by an increase in federal Medicaid matching funds. The OLS cannot quantify this impact due to a lack of data indicating the current cost of MAT for Medicaid beneficiaries and how many Medicaid beneficiaries are denied MAT benefits in the prior authorization process.

The OLS notes that such a policy may also result in State savings in the provision of other benefits to Medicaid beneficiaries with substance use disorders. According to the Centers for Medicare and Medicaid Services, medical costs decrease by 30 percent on average between the year prior to MAT and the third year following treatment, and these cost trends reflect a decline in expenditures in all types of health care settings; including hospitals, emergency departments, and outpatient centers.² This information suggests that any costs incurred by the State in removing prior authorization requirements for MAT may be offset by long-term savings in overall healthcare costs.

Section: Human Services

Analyst: Sarah Schmidt
Senior Research Analyst

Approved: Frank W. Haines III
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

¹ <https://www.nj.gov/governor/news/news/562019/approved/20190123b.shtml>

² <https://www.medicaid.gov/medicaid/benefits/bhs/substance-use-disorders/index.html>

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 4744

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: MAY 29, 2019

SUMMARY

- Synopsis:** Requires DHS to ensure medication assisted treatment benefits under Medicaid program are provided without the imposition of prior authorization requirements.
- Type of Impact:** Annual increases in State expenditures; General Fund.
- Agencies Affected:** Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that this bill will result in an indeterminate annual increase in State expenditures incurred by the Department of Human Services (DHS) due to a potential increase in the number of beneficiaries within the Mental Health Fee for Service (MH FFS) program who are provided certain medications for the treatment of substance use disorders. The increase in beneficiaries will be attributable to the removal of prior authorization requirements for such medications.
- The OLS cannot quantify the impact of the bill due to a lack of data indicating the current cost of these medications for MH FFS program beneficiaries and how many beneficiaries are denied benefits for such medications in the prior authorization process.
- As of April 1, 2019, the medications enumerated in the bill have been provided to Medicaid enrollees without prior authorization. As a result, the bill will have no impact with regard to the provision of these medications to Medicaid clients. The bill will only have an impact with regard to the medications enumerated in the bill that because of the legislation will be provided to MH FFS program beneficiaries without prior authorization.
- Research suggests that access to the medications included in the bill can result in long-term savings in the provision of other medical benefits to individuals with substance use disorders.

BILL DESCRIPTION

This bill requires the Department of Human Services to ensure that the provision of benefits for certain medications used to treat substance use disorders to eligible persons receiving services funded by the Division of Mental Health and Addiction Services in DHS as well as to eligible persons under the Medicaid program are provided without the imposition of any prior authorization requirements, provided that the treatment is prescribed or administered by a licensed medical practitioner who is authorized to prescribe or administer the treatment pursuant to State and federal law. The Commissioner of Human Services may develop and issue guidelines to ensure the safety and efficacy of benefits provided under the bill.

The covered drugs include methadone, buprenorphine, naltrexone, combination drugs containing buprenorphine and naloxone, and, if authorized by the Commissioner of Human Services, other medications approved by the federal Food and Drug Administration to treat substance use disorders.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the enactment of this bill will result in an indeterminate increase in annual State expenditures incurred by the DHS due to a potential increase in the number of beneficiaries within the MH FFS program who are provided certain medications for the treatment of substance use disorders. The increase in beneficiaries will be attributable to the removal of prior authorization requirements for such medications.

The provisions of the bill apply to the following medications: methadone, buprenorphine, naltrexone, combination drugs containing buprenorphine and naloxone, and, if authorized by the DHS, other medications approved by the federal FDA for the treatment of substance use disorders. In addition to the medications identified in the bill, the FDA currently approves the use of disulfiram and acamprosate for the treatment of alcohol abuse. The OLS is unable to predict if these additional medications will be included under the provisions of the bill without more information from the department. New Jersey's MH FFS programs currently cover each of these medications. To access the medications, however, beneficiaries currently must receive prior authorization.

The OLS notes that as of April 1, 2019, the medications enumerated in the bill are provided to Medicaid enrollees without prior authorization due to the recent adoption of a policy to that effect by DHS.¹ As defined by the United States Department of Health and Human Services, medication assisted treatment (MAT) is the use of FDA-approved medications, in combination with counseling and behavioral therapies, to provide a "whole-patient" approach to the treatment of substance use disorders. The OLS assumes that the DHS policy will include all FDA approved drugs for substance use disorders. As a result, the bill will have no impact with regard to the provision of these medications to Medicaid clients. The DHS policy, however, will not affect the MH FFS program, as it reimburses contracted fee-for-service providers for non-

¹ <https://www.nj.gov/governor/news/news/562019/approved/20190123b.shtml>

Medicaid eligible clients and non-Medicaid reimbursable services and is funded primarily from State appropriations. As a result, any expenditures incurred by the State under this bill will only be within the scope of the MH FFS program.

The OLS further notes that this bill may result in State savings in the provision of other benefits to MH FFS beneficiaries with substance use disorders. According to the Centers for Medicare and Medicaid Services, medical costs decrease by 30 percent on average between the year prior to MAT and the third year following treatment, and these cost trends reflect a decline in expenditures in all types of health care settings including hospitals, emergency departments, and outpatient centers.² This information suggests that any expenses incurred by the State in removing prior authorization requirements for medications used to treat substance use disorders may be offset by long-term savings in overall healthcare costs.

Section: Human Services

*Analyst: Sarah Schmidt
Senior Research Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officers*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

² <https://www.medicaid.gov/medicaid/benefits/bhs/substance-use-disorders/index.html>

SENATE, No. 3314

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED JANUARY 15, 2019

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator JOSEPH P. CRYAN

District 20 (Union)

SYNOPSIS

Requires DHS to ensure medication assisted treatment benefits under Medicaid program are provided without the imposition of prior authorization requirements.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning medication assisted treatment for substance use
2 disorders and supplementing P.L.1968, c.413 (C.30:4D-1 et
3 seq.).

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. a. Notwithstanding any State law or regulation to the
9 contrary, the Department of Human Services shall ensure that the
10 provision of benefits for medication assisted treatment to eligible
11 persons under the Medicaid program, established pursuant to
12 P.L.1968, c.413 (C.30:4D-1 et seq.), shall be provided without the
13 imposition of any prior authorization requirements or other
14 prospective utilization management requirements, provided that the
15 treatment is prescribed by a licensed medical practitioner who is
16 authorized to prescribe methadone, buprenorphine, and naltrexone
17 and provided by a licensed health care professional or a licensed or
18 certified substance use disorder provider in a licensed or otherwise
19 State-approved facility, as required by the laws of the state in which
20 the treatment is rendered.

21 b. As used in this Act:

22 "Medication assisted treatment" means the use of methadone,
23 buprenorphine, and naltrexone to provide a comprehensive
24 approach to the treatment of substance use disorders.

25 "Substance use disorder" is as defined by the American
26 Psychiatric Association in the Diagnostic and Statistical Manual of
27 Mental Disorders, Fifth Edition and any subsequent editions and
28 shall include substance use withdrawal.

29
30 2. The Commissioner of Human Services shall apply for such
31 State plan amendments or waivers as may be necessary to
32 implement the provisions of this act and to secure federal financial
33 participation for State Medicaid expenditures under the federal
34 Medicaid program.

35
36 3. The Commissioner of Human Services, pursuant to the
37 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
38 seq.), shall adopt rules and regulations necessary to implement the
39 provisions of this act.

40
41 4. This act shall take effect on the 90th day next after
42 enactment.

43
44

45 STATEMENT

46
47 This bill requires the Department of Human Services to ensure that
48 the provision of benefits for medication assisted treatment to eligible

1 persons under the Medicaid program, established pursuant to
2 P.L.1968, c.413 (C.30:4D-1 et seq.), are provided without the
3 imposition of any prior authorization requirements or other prospective
4 utilization management requirements, provided that the treatment is
5 prescribed by a licensed medical practitioner who is authorized to
6 prescribe methadone, buprenorphine, and naltrexone and provided by a
7 licensed health care professional or a licensed or certified substance
8 use disorder provider in a licensed or otherwise State-approved
9 facility, as required by the laws of the state in which the treatment is
10 rendered.

11 As defined in the bill, “medication assisted treatment” means the
12 use of methadone, buprenorphine, and naltrexone to provide a
13 comprehensive approach to the treatment of substance use
14 disorders. The bill defines “substance use disorder” as defined in
15 the American Psychiatric Association in the Diagnostic and
16 Statistical Manual of Mental Disorders, Fifth Edition and any
17 subsequent editions and shall include substance use withdrawal.

18 The science of addiction medicine is increasingly finding that
19 substance use disorders can be most effectively treated with
20 medication assisted treatment. As indicated in the bill, some of the
21 medications used in such treatments include methadone,
22 buprenorphine, and naltrexone. Generally, methadone and
23 buprenorphine are used to lessen withdrawal symptoms from
24 opioids, while naltrexone prevents the effects of any opioids taken
25 during the withdrawal period. Requiring prior preauthorization to
26 administer these drugs, however, may delay treatment for several
27 days, thereby potentially missing the opportunity to intervene with
28 patients struggling with addiction. This bill aims to remove such an
29 access barrier to the treatment of opioid dependency for Medicaid
30 recipients.

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO
SENATE, No. 3314

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 7, 2019

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 3314.

As amended by the committee, this bill requires the Department of Human Services (DHS) to ensure that the provision of benefits for medication assisted treatment to eligible persons receiving services funded by the Division of Mental Health and Addiction Services in DHS as well as to eligible persons under the Medicaid program, established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.), are provided without the imposition of any prior authorization requirements, provided that the treatment is prescribed or administered by a licensed medical practitioner who is authorized to prescribe or administer the treatment pursuant to State and federal law.

As defined in the bill, “medication assisted treatment” means the use of any medications approved by the federal Food and Drug Administration to treat substance use disorders, including, but not limited to, methadone, buprenorphine, naltrexone, or combination drugs containing buprenorphine and naloxone, to provide a comprehensive approach to the treatment of substance use disorders. The term “substance use disorder” means the same as it is defined in the American Psychiatric Association in the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition and any subsequent editions, and includes substance use withdrawal.

COMMITTEE AMENDMENTS:

The committee amendments provide that the bill will apply to eligible individuals receiving services through the Division of Mental Health and Addiction Services in the Department of Human Services as well as to Medicaid beneficiaries.

The committee amendments remove a provision that provided that benefits for medication assisted treatment are to be provided without any other prospective utilization management requirements.

The committee amendments revise the requirements for Medicaid coverage for medication assisted treatment to provide that the

treatment is to be prescribed or administered by a health care practitioner authorized to prescribe or administer the treatment pursuant to State and federal law.

The committee amendments revise the definition of “medication assisted treatment” to clarify that, although it may include the use of methadone, buprenorphine, naltrexone, or buprenorphine and naloxone combination drugs, it may involve other drugs approved by the federal Food and Drug Administration as well.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3314

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 18, 2019

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3314 (1R), with committee amendments.

As amended, this bill requires the Department of Human Services (DHS) to ensure that the provision of benefits for certain medication assisted treatment drugs to eligible persons receiving services funded by the Division of Mental Health and Addiction Services in DHS as well as to eligible persons under the Medicaid program, established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.), are provided without the imposition of any prior authorization requirements, provided that the treatment is prescribed or administered by a licensed medical practitioner who is authorized to prescribe or administer the treatment pursuant to State and federal law. The covered drugs include methadone, buprenorphine, naltrexone, combination drugs containing buprenorphine and naloxone, and, if authorized by the Commissioner of Human Services, other medications approved by the federal Food and Drug Administration to treat substance use disorders.

COMMITTEE AMENDMENTS:

The committee amendments remove the definition of “medication assisted treatment” and instead list the specific medications that will be included under the bill. The committee amendments specify that coverage for medications approved by the federal Food and Drug Administration for the treatment of substance use disorders other than those drugs specifically enumerated in the bill will be subject to authorization by the Commissioner of Human Services.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the enactment of this bill will result in an indeterminate increase in State expenditures incurred by the Department of Human Services (DHS) due to a potential increase in the number of beneficiaries within the Medicaid program, administered by the Division of Medical Assistance and Health Services (DMAHS), and the Mental Health Fee for Service (MH FFS) program, administered by the Division of

Mental Health and Addiction Services (DMHAS), who are provided benefits for certain medications. The increase in beneficiaries will be due to the removal of prior authorization requirements for such medications, as provided for under the bill. Any State Medicaid expenses will be matched by an increase in federal Medicaid funds.

The provisions of the bill apply to the following medications: methadone, buprenorphine, naltrexone, combination drugs containing buprenorphine and naloxone, and, if authorized by the Commissioner of Human Services, other medications approved by the federal Food and Drug Administration (FDA) for the treatment of substance use disorders, such as disulfiram and acamprosate. The OLS notes the cost of this bill will not include any expenses for the provision of benefits for methadone, buprenorphine, naltrexone to Medicaid enrollees due to the recent adoption of a policy by the DHS to remove any requirements for prior authorization for these drugs to Medicaid enrollees, effective as of April 1, 2019. The OLS cannot quantify the impact of the bill due to a lack of data indicating the current cost of these medications for Medicaid and MH FFS program beneficiaries and how many beneficiaries are denied benefits for such medications in the prior authorization process.

The OLS further notes that research suggests that access to the medications included under the bill's provisions can result in savings in the provision of other medical benefits for individuals with substance use disorders, which may impact the long-term fiscal impact of this bill.

STATEMENT TO
[Second Reprint]
SENATE, No. 3314

with Senate Floor Amendments
(Proposed by Senator VITALE)

ADOPTED: MAY 30, 2019

These Senate floor amendments add a provision authorizing the Commissioner of Human Services to develop and issue guidelines to ensure the safety and efficacy of the benefits provided under the bill for medication assisted treatment.

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 3314

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: MARCH 27, 2019

Synopsis: Requires DHS to ensure medication assisted treatment benefits under Medicaid program are provided without the imposition of prior authorization requirements.

Type of Impact: Annual increases in State expenditures; General Fund.

Agencies Affected: Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Expenditures Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that this bill will result in an indeterminate annual increase in State expenditures incurred by the Department of Human Services (DHS) due to a potential increase in the number of beneficiaries within the Mental Health Fee for Service (MH FFS) program who are provided certain medications for the treatment of substance use disorders. The increase in beneficiaries will be attributable to the removal of prior authorization requirements for such medications.
- The OLS cannot quantify the impact of the bill due to a lack of data indicating the current cost of these medications for MH FFS program beneficiaries and how many beneficiaries are denied benefits for such medications in the prior authorization process.
- The medications enumerated in the bill will already be provided to Medicaid enrollees without prior authorization starting on April 1, 2019. As a result, the bill will have no impact with regard to the provision of these medications to Medicaid clients.
- Research suggests that access to the medications included in the bill can result in long-term savings in the provision of other medical benefits to individuals with substance use disorders.

BILL DESCRIPTION

This bill requires the DHS to provide methadone, buprenorphine, naltrexone, combination drugs containing buprenorphine and naloxone, and, if authorized by the department, other medications approved by the federal Food and Drug Administration (FDA) for the treatment of substance use disorders to eligible persons receiving services within the MH FFS and Medicaid programs without the imposition of any prior authorization requirements if certain conditions are satisfied. Treatment must be prescribed or administered by a licensed medical practitioner who is authorized to prescribe or administer that treatment pursuant to State and federal law.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the enactment of this bill will result in an indeterminate increase in annual State expenditures incurred by the DHS due to a potential increase in the number of beneficiaries within the MH FFS program who are provided certain medications for the treatment of substance use disorders. The increase in beneficiaries will be attributable to the removal of prior authorization requirements for such medications.

The provisions of the bill apply to the following medications: methadone, buprenorphine, naltrexone, combination drugs containing buprenorphine and naloxone, and, if authorized by the DHS, other medications approved by the federal FDA for the treatment of substance use disorders. In addition to the medications identified in the bill, the FDA currently approves the use of disulfiram and acamprosate for the treatment of alcohol abuse. New Jersey's Medicaid and MH FFS programs currently cover each of these medications. To access the medications, however, beneficiaries currently must receive prior authorization.

The OLS notes that the medications enumerated in the bill will already be provided to Medicaid enrollees without prior authorization starting on April 1, 2019 due to the DHS' recent adoption of a policy to that effect.¹ According to a press release issued on January 23, 2019, the Medicaid program will be removing the requirement for prior authorization for Medication Assisted Treatment (MAT). As defined by the United States Department of Health and Human Services, MAT is the use of FDA-approved medications, in combination with counseling and behavioral therapies, to provide a "whole-patient" approach to the treatment of substance use disorders. The OLS assumes that the DHS policy will include all FDA-approved drugs for MAT. As a result, the bill will have no impact with regard to the provision of these medications to Medicaid clients. The DHS policy, however, will not affect the MH FFS program, as it reimburses contracted fee-for-service providers for non-Medicaid eligible clients and non-Medicaid reimbursable services and is funded primarily from State appropriations.

The OLS further notes that this bill may result in State savings in the provision of other benefits to MH FFS beneficiaries with substance use disorders. According to the Centers for Medicare and Medicaid Services, medical costs decrease by 30 percent on average between the year prior to MAT and the third year following treatment, and these cost trends reflect a decline

¹ <https://www.nj.gov/governor/news/news/562019/approved/20190123b.shtml>

in expenditures in all types of health care settings; including hospitals, emergency departments, and outpatient centers.² This information suggests that any expenses incurred by the State in removing prior authorization requirements for MAT may be offset by long-term savings in overall healthcare costs.

Section: Human Services

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Senior Research Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

² <https://www.medicaid.gov/medicaid/benefits/bhs/substance-use-disorders/index.html>

Governor Murphy Signs Legislation to Combat Opioid Crisis

07/15/2019

TRENTON – Governor Phil Murphy today signed three pieces of legislation addressing the opioid crisis. A3292, A4744, and SJR35 will strengthen opioid prescription label requirements, ensure greater access to Medicated-Assisted Treatment (MAT) benefits for Medicaid recipients, and spread awareness of opioid abuse through the designation of October 6th as “Knock Out Opioid Abuse Day”.

“The opioid crisis has had a devastating impact on our communities, robbing us of too many of our friends, family members, and loved ones,” **said Governor Phil Murphy**. “This legislation continues our work to combat the opioid crisis by ensuring that there are warning labels outlining the risk of opioid medications, expanding access to the treatment that so many need, and raising awareness of just how easy it is to become addicted to opioids.”

“The key to knocking out opioid abuse in our communities and saving lives often starts in the medicine cabinet, which is why education and clear warnings about the risks associated with opioid-based drugs are paramount to winning this battle. But people also need fair access to treatment when they fall victim to addiction,” **said Lt. Governor Sheila Oliver**. “These new laws will help to ensure that people are aware of the risks while helping break down the systemic barriers associated with accessing treatment.”

Under A3292, containers for prescription opioid medications dispensed in New Jersey will be required to have a warning label or sticker describing the risk of opioid medications. The Director of the Division of Consumer Affairs in the Department of Law and Public Safety, working with the Department of Health, will specify by rule or regulation where the warning sticker or label is to be affixed and the specific language to be included on the warning sticker.

Primary sponsors of the bill include Assemblymembers John Armato, Vincent Mazzeo, and Valerie Vainieri Huttie; and Senators Kristin Corrado and Joseph Lagana.

A4744 requires the Department of Human Services to ensure that the provision of benefits for certain types of medication assisted treatment to eligible persons under the Medicaid program are provided without the imposition of any prior authorization, providing that the treatments are prescribed or administered by licensed medical practitioners.

Primary sponsors of the bill include Assemblymembers Louis D. Greenwald, John Armato, and Valerie Vainieri Huttie; and Senators Joe Vitale and Joe Cryan.

SJR35 designates October 6th of each year as “Knock Out Opioid Abuse Day” in order to raise awareness about the dangers of – and the link between – opioid abuse and heroin addiction.

Primary sponsors of the bill include Senators Loretta Weinberg and Kristin Corrado; and Assemblymembers Valerie Vainieri Huttie, John Armato, and Vincent Mazzeo.

“I am delighted that the Governor and Legislature continue to provide us important tools to combat the opioid epidemic. Today’s action builds on the work NJ Human Services did earlier this year to lift Medicaid prior authorization requirements for opioid addiction treatment medication by codifying our policy in state law. We are glad to see this smart step to help ensure that our actions cannot readily be reversed by future administrations,” **said Department of Human Services Commissioner Carole Johnson**. “Removing barriers to opioid addiction treatment, increasing knowledge of the risks of addiction and overdoses, and focusing attention on the need to combat this epidemic represent important tools in our shared fight to save lives.”

“These measures are pivotal for New Jersey to get ahead of its opioid epidemic,” **said Department of Health Commissioner Dr. Shereef Elnahal**. “At a basic level, folks need to know if their medications have opioids in them and need access—without barriers—to get the treatment they need. I am also excited about a day to collectively come together to address this epidemic, which has stolen too many lives from our communities and families.”

“Medically assisted treatment has proven to be one of the most effective ways of treating addiction. It is important that the treatment is provided as quickly as possible so patients can get the drugs removed from their systems and get on the road to recovery. Doing away with the preauthorization requirement will help break down the barriers to timely treatment for Medicaid recipients so they can escape from the destructive grip of addiction,” **said Senator Joe Cryan**. “We are fighting an opioid epidemic that is ruining lives, destroying families and causing an alarming number of overdose deaths and this is one of the actions we can take.”

“Research and experience have shown that medication assisted treatment is an effective treatment for substance abuse disorders, including opioid addiction,” **said Senator Joe Vitale**. “It can make the difference in the early, critical stages of breaking addiction and allowing those in treatment to enter recovery. It can ease suffering and save lives and I am glad to see this signed into law today.”

“The opioid crisis effects every person in this state and must be faced head-on,” **said Senator Loretta Weinberg**. “We have to address the crisis at every level and on all fronts if we are going to genuinely see opioid abuse be reduced. I am glad we, as a state, are taking this issue on with the seriousness and attention it demands.”

“The opioid epidemic is a scourge, killing countless people and hurting families all across the country,” **said Senator Joseph Lagana**. “We will now be able to warn people of the horrible dangers of taking opioids on the prescription bottles. People have a right to know if they ingest a potentially dangerous substance.”

“Raising awareness is an important step that will help us to battle the crisis of opioid abuse that’s plaguing New Jersey and save lives,” **said Senator Kristin Corrado**. “We’re ensuring that individual patients who are prescribed opioids are warned of the potential danger of addiction. On a larger scale, we’re going to highlight the vast scope of this disease to reduce the stigma of talking about it or seeking help. These efforts will work in tandem to educate patients and the general public about this growing problem.”

Regarding A3292:

“We have warning labels on just about all medications these days,” **said Assemblyman John Armato**. “In the middle of this epidemic, we need to utilize every tool in our arsenal to increase awareness and education about the effects of opioid abuse. Adding a warning sticker to all opioid medications is an easy, cost-effective concept that can save lives. In 2019 in New Jersey, it’s sadly an oddity to know someone who hasn’t in some way been touched by the ongoing epidemic.”

“Opioids are highly addictive, and overdoses are often fatal,” **said Assemblyman Vince Mazzeo**. “We have an obligation to ensure patients and their families are advised of the risks associated with them, so we can continue to battle this epidemic in New Jersey. Overdoses are killing more people than ever before, and this is a step toward preventing more tragedies.”

This new law is plain common sense as we fight this epidemic,” **said Assemblywoman Valerie Vainieri Huttle**. “We have warning labels on so many products, many of which are far less dangerous than opioids. The more information and warning we can give people, the better.”

Regarding A4744:

“When it comes to the treatment of people suffering from opioid addiction, every moment matters,” **said Assembly Majority Leader Lou Greenwald**. “Like any disease, it must be treated in order for a patient to recover. With this new law, we’re confirming via statute that Medicaid recipients will be able to receive critical treatment when needed and begin their road to recovery. To truly fight this opioid epidemic, we must break down treatment and access barriers for everyone.”

“Research has increasingly shown that medication assisted treatment can be the most effective treatment for substance abuse disorders like opioid addiction,” **said Assemblyman John Armato**. “It helps to ease withdrawal symptoms and prevents patients from feeling the effects of any opioids taken during withdrawal. In this way, the treatment helps patients overcome what can otherwise be tremendous challenges in the process. We have to make sure people who desperately need this treatment have access to it in a timely manner, which is exactly what this bill does.”

“If someone suffering from substance abuse decides to get help, it’s critically important that they are treated as soon as possible. By getting prior preauthorization it can delay treatment for several days, which may not be enough time to save someone’s life,” **said Assemblywoman Valerie Vainieri Huttle**. “If we can provide a simpler avenue towards effective treatment, we open doors to recovery for people whose lives are greatly at risk.”

Regarding SJR35/AJR95:

“By nature, prescription opioids, like Oxycodone and Percocet, are addictive. Unfortunately, for many the addiction doesn’t stop when the prescription ends,” **said Assemblywoman Valerie Vainieri Huttle**. “Being a cheaper and more easily obtained alternative, many turn to heroin. About half of the New Jerseyans in drug treatment centers suffer from heroin or opioid addictions making it an alarming epidemic. That is what makes this resolution imperative. It’s the best preemptive approach to combating severe rises in opioid and heroin abuse.”

“The permanent designation of October 6th as “Knock Out Opioid Abuse Day” will spur more educational, community-based awareness programs” **said Assemblyman John Armato**. “The legislation stresses the need to educate more than our health care professionals and community leaders. It seeks to impress greater need for grassroots programs

that inform families, friends and neighbors. Tackling this problem starts with understanding it better at all levels within our community.”

“Allowing the short-term medical benefits of opioids to overshadow their long-term effects has impacted the well-being of people throughout New Jersey,” **said Assemblyman Vince Mazzeo**. “It is necessary, now more than ever, to impress the urgency of this opioid crisis we are facing. Despite a significant amount of legislative work being done to tackle the problem, people and communities remain at the heart of the solution. With this resolution we are taking the right steps toward raising the needed awareness.”