SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3800

STATE OF NEW JERSEY

DATED: JUNE 17, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3800 (1R).

This bill requires certain health benefits carriers and State programs to provide coverage for an opioid antidote without imposing prior authorization requirements.

This bill requires an insurance company, health service corporation, hospital service corporation, medical service corporation, or health maintenance organization authorized to issue health benefits plans in this State, as well as the Medicaid program, the NJ FamilyCare Program, the State Health Benefits Program, and the School Employees' Health Benefits Program, to provide coverage for an opioid antidote without imposing prior authorization requirements or other utilization management requirements, provided that the treatment is: (1) prescribed or administered to the eligible member by a licensed medical practitioner who is authorized to prescribe or administer that treatment pursuant to State and federal law; or (2) dispensed to the eligible member by a licensed pharmacist under a standing order to dispense an opioid antidote pursuant to section 1 of P.L.2017, c.88 (C.45:14-67.2), which allows pharmacists to dispense opioid antidotes to any person without an individual prescription.

The bill provides that its provisions are not be construed to limit the coverage of an opioid antidote only when administered by a medical practitioner.

The bill defines "opioid antidote" to mean naloxone hydrochloride, or any other similarly acting drug approved by the United States Food and Drug Administration for self-administration for the treatment of an opioid overdose.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that New Jersey FamilyCare costs would increase, potentially by substantial amounts, due to the bill's requirement that the program cover opioid antidotes, without prior authorization or other utilization management requirements, when the treatment is prescribed or dispensed by certain licensed medical practitioners or pharmacists, as authorized under State or federal law.

Since State Medicaid expenditures for covered health care services, including prescription drugs, qualify for federal matching funds, any additional State costs incurred pursuant to the bill would also increase State revenues. The families First Coronavirus Response Act additionally provides for a temporary 6.2 percent increase in the State's Federal Medical Assistance Percentage, through the end of 2021.

Currently, the State Health Benefits Program (SHBP) and the School Employees Health Benefits Program (SEHBP) cover opioid antidotes without prior authorization or step therapy requirements. Therefore, the OLS concludes that this bill would not impact State costs for either the SHBP or the SEHBP; rather, the bill would simply codify current coverage policy under both programs.