



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3727 Introduced on January 23, 2019
Author: Fry
Subject: Access to Treatment for Opioid Use Disorders
Requestor: House Medical, Military, Public, and Municipal Affairs
RFA Analyst(s): Payne
Impact Date: January 27, 2020 Updated for Additional Agency Response

Fiscal Impact Summary

The Department of Health and Human Services (DHHS) anticipates the provisions of this bill will result in a material, yet undetermined increase in General Fund and Federal Funds expenditures because the bill would preclude DHHS from implementing guidelines designed to manage expenses for opioid use disorder (OUD) treatments and would require plans to offer treatments for which they may not receive federal reimbursement.

Explanation of Fiscal Impact

Updated for Additional Agency Response on January 27, 2020

Introduced on January 23, 2019

State Expenditure

This bill requires DHHS to prohibit Medicaid health plans from limiting patient access to medications that treat OUD. This bill directs DHHS to guarantee unrestricted access to any FDA-approved treatment options available for individuals with OUD who have completed a detoxification program.

Currently, DHHS has issued guidance for Medicaid plan providers requiring consistent application of clinical criteria across the OUD medication assisted treatment class of medications. DHHS indicates that the provisions of this bill would limit their ability to implement similar guidance related to OUD treatments based on value, clinical best practices, participation in the Medicaid Drug Rebate program, and availability of equivalent generics or other alternatives. Additionally, federal reimbursement for treatment in an inpatient facility under a managed care organization is limited. The bill may require coverage that exceeds this limitation.

DHHS anticipates the provisions of this bill would limit their options to manage expenses for OUD treatments and may require plans to cover treatments for which they would not receive federal reimbursement. DHHS indicates that to the extent this bill increases General Fund expenditures, Federal Funds expenditures would also increase. Therefore, this bill will have an undetermined increase on the General Fund and Federal Funds expenditures of DHHS.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

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State Expenditure

This bill requires Medicaid health plans to ensure access to appropriate clinical services for the treatment of opioid use disorders, including medications, psychosocial therapy, and recovery support services.

The expenditure impact of this bill is pending, contingent upon a response from the Department of Health and Human Services.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director