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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: March 29, 2023

Re: DHS Report to JFC

Attached is a report on the Opioid Litigation Settlement Funds from the Department of Health Services, pursuant to JFC s. 13.10 action.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

HM:MB:jm

State of Wisconsin
Department of Health Services
Tony Evers, Governor
Kirsten L. Johnson, Secretary

MAR 29 2023
Jt. Finance

March 29, 2023

The Honorable Howard L. Marklein, Senate Co-Chair
Joint Committee on Finance
Room 316 East
State Capitol
P.O. Box 7882
Madison, WI 53707

The Honorable Mark Born, Assembly Co-Chair
Joint Committee on Finance
Room 308 East
State Capitol
P.O. Box 8952
Madison, WI 53708

Dear Senator Marklein and Representative Born:

2021 Wisconsin Act 57 (Act 57) requires the Department of Health Services (DHS) to submit to the Joint Committee on Finance a proposal to expend settlement proceeds paid to the state from the National Prescription Opiate Litigation, Case No. MDL 2804 (NPOL). Under Act 57, 30 percent of the NPOL settlement proceeds will be allocated to DHS for purposes that comply with the settlement agreement or court order. DHS submitted a proposal, which the Committee amended and approved at its September 8th, 2022, meeting.[1]

As part of the plan approval, the Committee required DHS to submit a report by December 31, 2022, and on a quarterly basis thereafter, regarding revenue expenditures under the plan. I am writing to submit the report due for this quarter regarding the opioid settlement proceedings received through the NPOL.

In FY 23, DHS received three settlement payments, starting with a $6 million payment in August, a $7.6 million payment in October, and ending with the final FY 23 payment of $17 million received on December 2, 2022. No payments have been received to date and we do not anticipate any in the final days of this quarter. Cumulatively, DHS has received $30.6 million in settlement payments.

[1] Joint Committee on Finance. Minutes of the Meeting under s. 13.10. September 8, 2022

As funds were received, DHS prioritized and acted upon strategies from the approved plan based on the available funding. In FY 23 to date, DHS has taken the necessary initial steps to award funds under the plan. In preparation to distribute funding, DHS has been internally establishing its procurement process, developing requests for proposals, setting up systems to distribute and track the funding, and engaging in stakeholder outreach to ensure these funds have a significant impact once distributed.

As of March 31, 2023, DHS has $5,950,000 in open funding opportunities, $8,750,000 of funding opportunities pending award, and awarded a cumulative total of $14,081,275. This represents a total of $28,781,275.

The table below summarizes the grant funding opportunities currently open for applications by DHS at the time of this report.

Grant Funding Opportunities: Open Applications		
Category	**Available Funding**	**Applications Due**
Total	**$5,950,000**	n/a
Narcan® Expansion & Fentanyl Test Strip Establishment: Public Health Vending Machines	$2,080,000	4/21/2023
Narcan® Expansion & Fentanyl Test Strip Establishment: EMS Leave Behind Program	$870,000	4/3/2023
Law Enforcement Agencies: Opioid Abatement Efforts	$3,000,000	3/30/2023

Narcan Expansion & Fentanyl Test Strip Establishment
Funds allocated to expand Narcan® Direct Program and to establish and fund a program to distribute Fentanyl Test Strips are supporting two funding opportunities: Public Health Vending Machines and EMS Leave Behind Program.

Public Health Vending Machines (PHVMs) provide Wisconsin a new, innovative opportunity to protect and promote the health and safety of people who use drugs. Many Wisconsinites do not seek assistance or services for their drug use due to a fear of being recognized, shamed, judged, and arrested. PHVMs, also referred to as harm reduction vending machines, act as safe havens for people to obtain no-cost, stigma-free preventative health and wellness services. They provide the opportunity for discrete, confidential access to harm reduction tools. Early evaluation efforts are already demonstrating the machines as effective in engaging young people who use drugs and have not previously engaged in harm reduction or recovery services. These machines also increase access to public health and wellness supplies outside of traditional service providers' hours of operation and in locations previously not providing harm reduction tools. PHVMs are practical and require less resources than a brick-and-mortar based

program with paid staff. PHVMs provide people with the resources they need, where they need them, when they need them, and without judgment or shame. Funding will support the purchase and set up of a vending machine, naloxone/Narcan® supplies, and fentanyl test strip supplies. Funding is also allowed for packaging items for placement in the machine and for printing resource and promotional materials.

Increasing access to overdose prevention tools, including Narcan® and fentanyl test strip supplies, is an essential component to reducing overdoses and overdose deaths in Wisconsin. Emergency medical service (EMS) providers across the country and within Wisconsin have instituted public safety-based Leave Behind Programs. Leave Behind Programs allow EMS professionals to distribute, or "leave behind," overdose prevention tools and resources at the scene of care, or after transport to a hospital, with the patient and/or their social networks (family, friends, roommates, etc.). This model presents an innovative opportunity to expand access to life-saving tools for individuals at high risk for overdose and death. This opportunity will supply EMS providers with funding for the purchase of Narcan® and the purchase of fentanyl test strip supplies for distribution through a Leave Behind Program.

Law Enforcement Agencies

The Opioid Abatement Efforts by Law Enforcement Agencies Request for Applications provides DHS an opportunity to support law enforcement agencies through four strategies: medication-assisted treatment education and awareness training, community drug disposal efforts, treatment for people incarcerated with an opioid use disorder, and pre-arrest or pre-arraignment deflection strategies for people with an opioid use disorder. At least $1 million of the funds will be designated for law enforcement agencies in counties or municipalities with 70,000 or fewer residents.

The following table summarizes the funding opportunities which have closed and have applications currently under review by DHS. Awards will be issued in FY 23 Quarter 4.

Grant Funding Opportunities: Under Review	
Category	**Available Funding**
Total	**$8,750,000**
Tribal Nations	$6,000,000
Statewide Community-Based Organization for After-School Programming	$750,000
Medication Assisted Treatment	$2,000,000

Tribal Nations

DHS intends to support federally recognized tribal nations in providing a spectrum of strategies across the continuum of care to address their unique conditions; provide programs and activities with minimal demands or barriers for participants, while building upon the strengths of local tribal culture, tradition, and practices; and provide high quality, effective, equitable, understandable, and respectful prevention, harm reduction, treatment, and recovery efforts and services that are responsive to diverse cultural health belief and practices, preferred languages,

health literacy, and other communication needs. Applications were received from all federally recognized tribal nations with members in Wisconsin, and DHS intends to provide funds to each applicant.

Statewide Community-Based Organization for After-School Programming
Community-based nonprofit organizations capable of providing after-school opioid prevention programs across Wisconsin in partnership with local law enforcement agencies were invited to apply for this funding opportunity. After-school programs are an important component of a comprehensive prevention strategy. After-school programs are safe, structured activities that convene regularly and offer activities to help children learn new skills. They encompass a broad range of focus areas including academic support, mentoring, positive youth development, arts, sports and recreation, apprenticeships, workforce development programs, and programs for youth experiencing homelessness.

Medication Assisted Treatment
Earlier this year DHS issued a grant funding opportunity for low threshold medication for opioid use disorder programs. These programs are designed to reduce barriers to medication for opioid use disorder, specifically buprenorphine, by making minimal requirements of patients and offering same day, immediate enrollment in buprenorphine treatment and wraparound case management/recovery support services. After buprenorphine induction and when individuals are initially stabilized, they are transitioned to other programs where they receive maintenance buprenorphine. Low threshold programs can occur in multiple settings including hospital emergency department-based buprenorphine induction projects, mobile health unit projects, and pharmacy buprenorphine induction projects. The DHS grant funding opportunity closed in early February. Grants have yet to be awarded, but more applications were received than funding available. By supplementing this project with the $2 million in settlement funding, DHS can support more grantees than anticipated.

The following table summarizes the amount of funding the Department has awarded by category of use during the third quarter of FY 23 and cumulatively.

Funding Awards by Category			
Category	**Previous Awards**	**FY 2023 Q3 Awards**	**Cumulative Awards**
Total	**$ 1,296,275**	**$ 12,785,000**	**$ 14,081,275**
Expand Narcan® Direct Program	$ 749,550	$ 285,000	$ 1,034,550
Fentanyl Test Strip Establishment	$ 296,725	$ -	$ 296,725
Capital Projects to Expand Prevention, Harm Reduction, Treatment, and Recovery Services in Wisconsin	$ -	$ 10,000,000	$ 10,000,000
K-12 Evidence-Based Substance Use Prevention Curriculums or Programs*	$ 250,000	$ -	$ 250,000
Room & Board Costs for Residential Substance Use Disorder Treatment	$ -	2,500,000	$ 2,500,000

*Funding allocated to DPI for distribution

Expand Narcan® Direct Program

The Narcan® Direct Program (NDP) provides the overdose reversal and life-saving medication to law enforcement agencies (including county jails), county or municipal public health departments, tribal health clinics, syringe access programs, recovery community organizations, and opioid treatment programs. In the third quarter of FY 23, DHS awarded $285,000 to support and expand the community agencies receiving Narcan®. This provided 23 agencies with 6,000 doses of Narcan®. Agencies receiving this award and their amounts are noted in Appendix A.

During the previous three months of reported data (December 2022 – February 2023), the NDP reports training 6,681 people in overdose prevention and Narcan® administration and distributing 9,352 Narcan® kits (total of 18,704 doses). NDP agencies reported over 650 successful overdose reversals; due to data collection limitations the number of successful overdose reversals is an underreported amount.

Capital Projects to Expand Prevention, Treatment, Harm Reduction, Recovery Services

Community-based providers offering prevention, harm reduction, treatment, and recovery services for individuals with an opioid use disorder were invited to apply for funds to support capital project expanding services in Wisconsin. DHS awarded part of this funding for a capital project that supports the expansion of bed capacity for the treatment of pregnant and post-partum women in a family-centered treatment environment and that at least $3 million of these funds to support projects in counties with fewer than 500,000 residents.

Arbor Place was awarded $4,910,000 to establish a multi-level residential treatment facility of up to 20 beds for pregnant, postpartum, and parenting women with OUD and their children, in a family-centered treatment environment, in the western region of Wisconsin (Menomonie) where there are currently none. The facility will also serve individual women. It will significantly expand the current treatment and services offered to women already by Arbor Place.

Meta House was awarded $4,910,000 to add over 60 treatment beds for women (including pregnant and postpartum women) in need of residential-level OUD treatment and will support a spectrum of services including medication-assisted treatment, primary care, and recovery-related recreational activities, as well as incorporate spaces to foster collaboration between agencies and system partners including child welfare and drug treatment courts.

Lighthouse Recovery Community Center was awarded $183,278 to renovate an existing property to create seven new beds in a recovery residence for pregnant and postpartum women in a family-centered environment while they attend treatment and will be the only recovery residence of this kind in the area.

K-12 Evidence-Based Substance Use Prevention Curriculums or Programs
DHS allocated $250,000 to the Wisconsin Department of Public Instruction (DPI) for grants related to K-12 evidence-based substance use prevention curriculums or programs. As an update, DPI plans to release an application for funding applications in Spring 2023, with awards anticipated for Summer 2023. Programming is expected to occur in the 2023-2024 school year.

Funding to Cover Room and Board Costs for Medicaid Members with OUD in Residential Substance Use Disorder Treatment Programs
Wisconsin Medicaid has offered a residential substance use disorder treatment benefit since February 2021. It provides treatment for youth and adults to promote recovery from substance use disorder and reduce the incidence and duration of institutional care Medicaid members might otherwise need. Federal law prohibits Medicaid from reimbursing for the costs of room and board. Covering the costs of room and board has been identified as a barrier to residential substance use disorder treatment for many Medicaid members. To make this benefit more accessible, DHS solicited applications from tribal nations and counties for funding to cover the room and board costs for individuals with an OUD in 2023. A total of $2,500,000 in awards were issued to 49 applicants. A detailed list of recipients and the amounts awarded to each can be found in Appendix A.

Please contact me if you have any questions about this report.

Sincerely,

Kirsten L. Johnson
Secretary-designee

Appendix A – Listing of Individual Recipients of Awarded Funds and the Amounts Awarded to Each

Narcan® Direct Program Expansion				
Agency Name	Funding Amount Awarded	Cumulative Amount Awarded	Narcan® Cases Provided	Total Number of Narcan® Doses Provided
Addiction Resource Council - Waukesha County Health & Human Services	$ 14,820	$ 14,820	26	312
Addiction Services and Pharmacotherapy Madison	$ 1,140	$ 1,140	2	24
AMS of Wisconsin - Minocqua	$ 5,700	$ 5,700	10	120
City of Racine Health Department	$ 5,700	$ 5,700	10	120
Columbia County Health and Human Services	$ 2,280	$ 2,280	4	48
Community Medical Services - Pewaukee	$ 11,400	$ 11,400	20	240
Green Bay Comprehensive Treatment Center	$ 5,700	$ 5,700	10	120
Greenfield Health Department	$ 1,710	$ 1,710	3	36
Gwayakobimaadiziwin Bad River Needle Exchange	$ 11,400	$ 11,400	20	240
Jefferson County Health Department	$ 2,280	$ 2,280	4	48
Juneau County Health Department	$ 14,250	$ 14,250	25	300
La Crosse County Human Services	$ 5,700	$ 5,700	10	120
Marinette County Public Health	$ 5,700	$ 5,700	10	120
Milwaukee County Behavioral Health Services	$ 114,000	$ 114,000	200	2400
Milwaukee Health Department	$ 34,200	$ 34,200	60	720
Safe Communities - Madison	$ 1,140	$ 1,140	2	24
Vivent Health - Green Bay	$ 5,700	$ 5,700	10	120
Vivent Health-Appleton	$ 5,700	$ 5,700	10	120
Vivent Health-Beloit	$ 8,550	$ 8,550	15	180
Vivent Health-Superior	$ 2,850	$ 2,850	5	60
Waushara County Health Department	$ 2,280	$ 2,280	4	48

Winnebago County Health Department	$	11,400	$	11,400	20	240
Wisconsin Voices for Recovery	$	11,400	$	11,400	20	240
TOTALS:	**$**	**285,000**	**$**	**285,000**	**500**	**6000**

Funding to Cover Room & Board Costs for Medicaid Members with Opioid Use Disorder in Residential Substance Use Disorder Treatment Programs

Agency	Amount Awarded
Adams County HHSD	$6,782
Ashland County HHS	$22,608
Brown County HHSD	$86,002
Buffalo County DHHS	$9,931
Chippewa County DHS	$16,433
Columbia County DHHS	$37,423
Crawford County HSD	$14,876
Dane County DHS	$101,813
Dodge County HSHD	$58,523
Door County DHS	$13,032
Douglas County DHHS	$17,218
Dunn County DHS	$27,876
Eau Claire County DHS	$44,947
Green County HSD	$16,006
Green Lake County DHHS	$30,372
Jackson County DHHS	$13,049
Jefferson County HSD	$17,045
Kewaunee County DHS	$11,622
La Crosse County HSD	$57,379
Manitowoc County HSD	$137,741
Menominee County HSD	$58,110
Milwaukee County DHHS	$331,035
Monroe County DHS	$12,149
North Central Health Care	$108,471
Outagamie County DHHS	$57,610
Ozaukee County DHS	$64,889
Portage County HHSD	$67,732
Racine County HSD	$37,190
Rock County HSD	$36,477
Sauk County DHS	$12,784
Shawano County HSD	$22,727
Sheboygan County HHSD	$82,683
St Croix County DHHS	$26,025

Taylor County HSD	$6,322
Trempealeau County DHS	$10,004
Unified Community Service	$51,653
Vernon County HSD	$18,079
Walworth County DHHS	$10,332
Washington County HSD	$52,927
Waukesha County DHHS	$105,554
Waupaca County DHHS	$11,467
Waushara County DHS	$22,039
Wood County DHS	$58,550
Lac Courte Oreilles Band	$193,698
Lac du Flambeau Band	$125,904
Menominee Indian Tribe	$43,001
Saint Croix Chippewa	$78,190
Sokaogon Chippewa Community	$16,530
Stockbridge Munsee Community	$37,190
Total	**$2,500,000**