



Legislative Fiscal Bureau

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February 1, 2022

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Health Services: Request for Release of Funding for Substance Use Disorder Initiatives
-- Agenda Item III

The Department of Health Services has submitted a request under s. 13.101 of the statutes for the release of a total of \$650,000 GPR in 2021-22 and \$1,600,000 GPR in 2022-23 from the Committee's program supplements appropriation to fund three substance use disorder treatment initiatives. The amounts and requested purposes of the funding are as follows: (a) \$500,000 GPR in 2021-22 and \$1,000,000 GPR in 2022-23 for making grants to support medication-assisted treatment services; (b) \$150,000 GPR in 2021-22 and \$300,000 GPR in 2022-23 to expand and enhance training of providers for methamphetamine use disorder treatment; and (c) \$300,000 GPR in 2022-23 to develop a substance use disorder treatment platform, providing consumer information on treatment options.

BACKGROUND

The 2021-23 budget (Act 58) placed funding in the Joint Committee on Finance program supplements appropriation for several substance abuse initiatives. Although legislative documents identified the amount of the funding and specified purposes for the funding, Act 58 itself does not include statutory or nonstatutory language identifying intended uses, and does not require or explicitly authorize the Department of Health Services to request the release of the funds. The following table shows the Act 58 funding allocations for the items relevant to the Department's request.

<u>Purpose</u>	<u>2021-22</u>	<u>2022-23</u>
Medication-Assisted Treatment	\$500,000	\$1,000,000
Methamphetamine Treatment Training	150,000	300,000
Substance Abuse Treatment Platform	0	300,000

Background on Opioid Use Disorder

Opioids are a class of natural or synthetic substances with similar effects on nerve cell receptors in the brain. In addition to reducing the intensity of pain, they also produce a euphoric effect. Some opioids are commonly prescribed by physicians to provide pain relief, while other opioids, such as heroin, have no accepted medical purpose and are produced and sold illicitly.

Opioids are addictive because they artificially trigger the release of endorphins, neurotransmitters that produce the euphoric effect. With repeated use, a person's tolerance to this effect may increase, meaning that higher doses are needed to generate the same response. Because opioids act on the central nervous system's regulation of the heart rate and breathing, an opioid overdose may cause respiratory failure, leading to brain damage or death.

Opioid use disorder (OUD) is a condition characterized by unsuccessful attempts to control the quantity or frequency of opioid use, to the point of inhibiting a person's ability to fulfill obligations at work or school, causing social or family disruptions or conflict, and resulting in personal stress. Individuals with OUD typically use opioids in larger amounts or for longer periods than prescribed, spend much time obtaining, using, and recovering from opioid use, and are at a high risk of experiencing an overdose.

Beginning around 2014, the prevalence of OUD and related opioid overdose incidents began to increase nationally and in Wisconsin, a trend that is now commonly referred to as the "opioid crisis." In Wisconsin, opioid-related overdose deaths have increased from 628 in 2014 to 1,227 in 2020. Emergency room utilization related to opioid overdoses increased from 1,489 incidents to 3,027 in that time period. Based on the most recent survey data, the Department estimates that 4.7% of Wisconsin adults misused opioids (that is, contrary to a prescription or illicit use) in the past year.

Medication assisted treatment (MAT) is considered to be one of the most effective methods for treating opioid use disorder. MAT uses medications--methadone, buprenorphine, or naltrexone--that either partially activate the opioid receptors in the brain, or else block these receptors. Although the first two of these medications are themselves opioids, they have a milder, more controlled effect on the central nervous system than the abused opioids, and so are considered a safe way to reduce illicit use. However, because of their potential for abuse or diversion, administration of these medications is most often done under professional supervision in a treatment clinic. Along with a daily medication regimen, persons undergoing MAT receive drug abuse counseling services to improve their social and psychological functioning with the goal of avoiding situations that lead to relapse.

Medication assisted treatment is a service eligible for coverage under the medical assistance (MA) program, most frequently provided through a certified narcotic treatment service. In 2019, MA reimbursed narcotic treatment services a total of \$26.5 million for MAT services. DHS estimates that in that same year the program paid approximately \$3.4 million for MAT services rendered outside a narcotic treatment service clinic, typically in a primary care physician's office. MAT may also be covered by commercial insurance for people who have such coverage, or be paid for by county human services departments for persons who lack coverage.

Background on Methamphetamine Use Disorder

Methamphetamine, or "meth," is a psychostimulant drug, which users inject, smoke, snort, or take orally to create a euphoric high. Considered highly addictive, meth can cause delusions, anxiety, sleeplessness, and may also provoke aggressive or violent behavior. Prolonged meth usage may cause extreme weight loss, fatigue, tooth and gum damage, skin lesions, as well as heart and circulatory system disease. These health effects may become progressively worse over time, as the user increases the dosage or frequency of use to create or maintain the euphoric effect. Premature deaths resulting from meth use may occur due to the progressive health effects occurring with long-term addiction, or as the result of acute side effects occurring immediately following use. In some cases, overdose deaths may be partially attributable to the effects of other drugs, such as fentanyl (an opioid drug), that are sometimes mixed with methamphetamine.

At present, methamphetamine-related overdose incidents leading to death or hospitalization are less common than such incidents stemming from other drugs, particularly opioids. For instance, while methamphetamine accounted for 267 deaths in 2020, there were 1,231 deaths attributable to opioid overdose. Nevertheless, methamphetamine overdose incidents have been increasing; the 267 methamphetamine deaths occurring in 2020 was a sharp increase from 75 deaths reported in 2016.

Unlike opiate use disorder, there are no medications approved to aid with methamphetamine addiction treatment. Instead, treatment models use a variety of behavioral therapies, including behavioral change incentives, monitored drug testing, and individual and family education and therapy. In part because methamphetamine use disorder is less common than opioid use disorder, DHS indicates that fewer drug abuse treatment practitioners are familiar with, or proficient in, the methamphetamine addiction treatment models. To address this deficiency, the Department has entered into a contract with the University of Wisconsin-Milwaukee's Center for Urban Population Health to provide training sessions in treatment techniques for outpatient practitioners in the state. The training is part of a larger contract with the Center to provide various services related to professional development for substance abuse disorder providers. The contract is funded using a portion of the state's federal state opioid response grant. Although intended primarily for opioid use disorder treatment and prevention, the federal state opioid response grants may also be used for initiatives related to stimulant use.

SUMMARY OF THE DEPARTMENT'S REQUEST

Medication-assisted treatment for opioid use disorder. *Transfer \$500,000 GPR in 2021-22 and \$1,000,000 GPR in 2022-23 to the grants for community programs appropriation for making grants to support medication-assisted treatment services.*

The Department proposes to use the funding for one or more mobile medication assisted treatment units. A mobile MAT unit, operating out of a vehicle, administers medications, collects drug testing samples, and provides medical and psychological assessments and counseling, when possible. The intent of the mobile MAT service would be to offer treatment services to individuals who live in areas where there are few if any treatment providers within a reasonable driving distance. Based on mobile MAT units operating in other states, the Department estimates that each unit would

cost between \$250,000 and \$500,000 to operate for one year. Once established, the unit could cover at least a portion of its costs through patient revenue, such as reimbursement under medical assistance, Medicare, or other insurance. To the extent that patient revenue is available to cover the costs of the initial units, the Department indicates that state grant funds could be used to establish other mobile units.

Methamphetamine treatment training. *Transfer \$150,000 GPR in 2021-22 and \$300,000 GPR in 2022-23 to the general program operations appropriation for the Division of Care and Treatment Services to support training for treatment practitioners on methods used for the treatment of methamphetamine use disorder.*

The Department's funding proposal is intended to increase the number of practitioner training sessions to meet rising demand for effective treatment measures. The Department estimates that the requested funding would be sufficient to offer approximately 25 training sessions around the state. Each training session can have up to 15 participants. In addition to offering training, the Department intends to expand professional collaboration initiatives to advance best treatment practices for practitioners who have already been trained.

Substance use disorder treatment platform. *Transfer \$300,000 in 2022-23 to the general program appropriations appropriation for the Division of Care and Treatment Services for the development of an online public resource identifying substance use disorder treatment providers in the state.*

The Department proposes to create a central repository of information on substance use disorder treatment options for Wisconsin residents. The service would identify providers and facilities by type of service provided. The Department envisions that, in addition, the website would include information on the availability of age-specific services and forms of payment accepted. Enrollment in the service by providers would be voluntary.

ANALYSIS

As noted, Act 58 placed funding in the Committee's GPR program supplements appropriation for several substance use disorder initiatives. Although the Act does not identify the purpose for this funding, the budget motion adopted by the Committee during budget deliberations identifies the general purpose for each initiative. The Department's request includes program supplements for three initiatives that are consistent with the purposes included in budget motion. If the Committee determines that the Department's proposals are warranted, it could approve one or more of the transfers under Alternative 1, as described below.

It is possible that the Department could allocate other sources of funding to these substance abuse treatment initiatives if the Department's request is not approved. There are a few potential funding sources that could be used. For instance, the Department could elect to allocate a portion of the funding that the state receives under annual federal grants in support of substance abuse treatment efforts. The principal sources of federal funding are the substance abuse prevention and treatment block grant (SAPTBG) and the state opioid response (SOR) grant. In federal fiscal year 2021,

Wisconsin received \$27.2 million under the block grant program and \$16.7 million in SOR grant funds.

Another possibility would be funding that the state will receive under court settlement agreements related to multi-party suits against opioid manufacturers and distributors. In particular, the state and local governments in Wisconsin are among the plaintiffs in pending lawsuits, which are the subject to a proposed settlement agreement that is currently under discussion. Subject to final approval, the state's share of the settlement funds could be used for a variety of abatement strategies, including an expansion of medication assisted treatment. Services related to treatment of methamphetamine use disorder, however, are not included in eligible uses.

There are potential disadvantages of denying the Department's request, if the Committee intends to have the Department advance these initiatives with other funds. First, the Committee cannot be guaranteed that the funding would be allocated for the designed purposes and in some cases the proposed uses may not be eligible. In particular, the methamphetamine treatment training would not be an eligible use for opioid settlement funds. Second, the other sources of funding may not be immediately available for these purposes, thus delaying when these initiatives could be implemented, relative to when they could be started if the Department's request were to be approved. For instance, to use federal block grant funding for these purposes, the existing expenditure plans would need to be amended. Finally, if the Department's request for state funding is not approved, and the Department elects to instead allocate other funding for these purposes, less of that funding will be available for direct treatment or prevention programs.

ALTERNATIVES

1. Approve the Department's request to transfer funding from the Committee's program supplements appropriation for substance abuse treatment initiatives as follows:

a. \$500,000 GPR in 2021-22 and \$1,000,000 GPR in 2022-23 to the grants for community programs appropriation for making grants to support medication-assisted treatment services.

b. \$150,000 GPR in 2021-22 and \$300,000 GPR in 2022-23 to the general program operations appropriation for the Division of Care and Treatment Services to support training for treatment practitioners on methods used for the treatment of methamphetamine use disorder.

c. \$300,000 in 2022-23 to the general program appropriations appropriation for the Division of Care and Treatment Services for the development of an online public resource identifying substance use disorder treatment providers in the state.

2. Deny the request.

Prepared by: Jon Dyck