SUBJECT: Health insurance coverage for abuse-deterrent opioid analgesic drugs

COMMITTEE: Insurance — committee substitute recommended

VOTE: 9 ayes — Frullo, Muñoz, G. Bonnen, Guerra, Meyer, Paul, Sheets, Vo, Workman

0 nays

WITNESSES: For — Chase Bearden, Coalition of Texans with Disabilities; Robert Popovian, Pfizer; (*Registered, but did not testify*: Cynthia Humphrey, Association of Substance Abuse Programs; Robin Peyson, Communities for Recovery; Will Francis and Colleen McKinney, National Association of Social Workers - Texas Chapter; Mark Vane, Teva Pharmaceuticals; Marshall Kenderdine, Texas Academy of Family Physicians; Joshua Houston, Texas Impact; Patricia Kolodzey, Texas Medical Association; Krista Crockett, Texas Pain Society; Mark Kinzly, Texas Overdose Naloxone Initiative; Lon Craft, TMPA; Melody Chatelle, United Ways of Texas; Kimberly Allen)

Against — (*Registered, but did not testify*: David Root, Prime Therapeutics; Bill Hammond, Texas Association of Business)

On — Chris Herrick, Texas Department of Insurance

BACKGROUND: Analgesic drugs are those that relieve pain. Opioids are a class of pain-relieving drugs that include medications such as hydrocodone, oxycodone, morphine, and codeine.

The U.S. Food and Drug Administration (FDA) describes "abuse-deterrent properties" as those properties shown to meaningfully deter abuse, even if they do not fully prevent abuse. The FDA defines the term "abuse" as the intentional, non-therapeutic use of a drug product or substance, even once, to achieve a desirable psychological or physiological effect.

DIGEST:

CSHB 2505 would require certain health insurance plans to provide coverage for abuse-deterrent opioid analgesic drugs. The bill would provide definitions for these drugs and would allow a health insurance plan to require prior authorization for an abuse-deterrent opioid analgesic drug under certain circumstances.

Definitions. The bill would define an "abuse-deterrent opioid analgesic drug" to mean an opioid analgesic drug for which the FDA had approved abuse-deterrent labelling that indicated the drug was expected to result in a meaningful reduction in abuse. An "opioid analgesic drug" would mean a drug in the opioid analgesic drug class that was prescribed to treat moderate to severe pain or other conditions and could be in an immediate or extended-release form of the drug, in a single-component drug form or in combination with another drug.

Prior authorization. The bill would allow a health insurance plan to require prior authorization for an abuse-deterrent opioid analgesic drug if the plan also required prior authorization for versions of the drug that did not have abuse-deterrent properties. A health insurance plan could not require a plan enrollee to first use an opioid analgesic drug without abuse-deterrent properties before giving prior authorization for the abuse-deterrent version of the drug.

Affected health insurance plans. The bill would apply only to a health benefit plan, including a small employer health benefit plan subject to the Health Insurance Portability and Availability Act in Insurance Code, ch. 1501, that provided certain benefits. The bill also would apply to a consumer choice of benefits plan issued under Insurance Code, ch. 1507.

The bill would provide exceptions to the requirement that insurance plans provide coverage for abuse-deterrent opioid analgesic drugs. The requirement would not apply to Medicaid, Medicaid managed care, the Children's Health Insurance Program, certain Medicare supplemental policies, workers' compensation policies, medical payment insurance coverage provided under a motor vehicle insurance policy, or certain long-term insurance policies.

The bill also would not apply to a health benefit plan that provides coverage only:

- for a specified disease, other than cancer, or for another limited benefit;
- for accidental death or dismemberment;
- for wages or payments in lieu of wages for a period during which an employee is absent from work because of sickness or injury;
- as a supplement to a liability insurance policy;
- for credit insurance;
- for dental or vision care; or
- for indemnity for hospital confinement.

Qualified health plans under the Affordable Care Act. The bill would not require a qualified health plan, as defined by the federal Affordable Care Act (ACA), to provide a benefit for abuse-deterrent opioid analgesic drugs if providing that benefit would exceed the ACA-specified essential health benefits and if the state would have to make a payment as required by the ACA.

Dispensing. A health benefit plan issuer would be prohibited from reducing or limiting payment to a professional or otherwise penalizing the professional for prescribing or dispensing an abuse-deterrent opioid analgesic drug. CSHB 2505 would specify that the bill would not authorize a health care professional to dispense a drug.

Effective date. The bill would take effect September 1, 2015, and would apply only to a health benefit plan that was delivered, issued for delivery, or renewed starting January 1, 2016.

SUPPORTERS SAY:

CSHB 2505 would reduce the abuse of prescription opioids, which are a legitimate class of drug that aids in pain management. These drugs are easily abused by individuals other than the person for whom they were prescribed and are subject to tampering.

Opioid abuse has expensive consequences for patients, society, and health providers, resulting in billions of dollars in additional annual medical costs due to incarceration and emergency room visits. The cost of the abuse-deterrent form of the drug is low compared to to the high cost of opioid abuse for the state overall.

Requiring certain health insurance providers to cover abuse-deterrent forms of these drugs would help prevent abuse of the drugs and would reduce the associated costs. The bill also would help prevent types of abuse that are more often associated with severe health consequences, including overdose from chewing, snorting, smoking, or injecting these drugs. Abuse-deterrent formulations may not be the single solution to the state's problem with prescription drug abuse, but they should be part of a comprehensive approach to addressing opioid abuse.

Generic alternatives do not yet exist for abuse-deterrent formulations of opioids because this is a new technology, but generic alternatives likely will be submitted for approval to the FDA in the coming months.

Abuse-deterrent formulations of opioids have the same efficacy as regular opioids, but they are intended to prevent abuse by making the drug hard to crush, by making it difficult to liquefy and inject, or by preventing the drug from providing the user with a euphoric effect. One study showed deterrent drugs have demonstrated over time that they show a meaningful reduction in abuse and that they sustain that reduction.

CSHB 2505 simply would enable patients to access to these formulations without unnecessary barriers. It would not require physicians to prefer these drugs or to prescribe them. The bill merely would allow doctors, as they saw fit, to prescribe to their patients an insurance-covered medication that is abuse deterrent.

OPPONENTS SAY:

CSHB 2505, by mandating that health insurance plans cover abuse-deterrent opioid drugs, would increase costs both to health insurance plans and to patients who need these drugs for a legitimate health condition.

Abuse-deterrent opioid drugs have the same efficacy as regular opioids, but they can cost hundreds of dollars more. This increase in cost could be a burden to patients who are using regular opioids properly. The abuse-deterrent formulations covered by the bill also currently do not have generic alternatives, making them particularly expensive for patients and insurance companies.

While abuse-deterrent drugs are harder to crush and inject, they have the same pain relieving properties as regular opioids and still could be abused, even if certain formulations did not provide a euphoric effect. These drugs can still be abused by swallowing.

The bill is not necessary for physicians to have the option to prescribe these drugs. The abuse-deterrent formulations of opioids have been on the market and approved by the FDA for several years, but manufacturers have failed to convince health insurance plans to cover the drugs and have failed to convince physicians to prescribe them. CSHB 2505 would improperly help manufacturers build demand for these expensive drugs that they were unable to create through market forces.

NOTES:

The Senate companion bill, SB 1094 by Creighton, was considered in a public hearing of the Senate Business and Commerce Committee on April 16 and left pending.