Government of the District of Columbia
Office of the Chief Financial Officer

Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO:	**The Honorable Phil Mendelson** **Chairman, Council of the District of Columbia**
FROM:	**Jeffrey S. DeWitt** **Chief Financial Officer**
DATE:	**November 23, 2020**
SUBJECT:	**Fiscal Impact Statement – Prescription Drug Monitoring Program Query and Omnibus Health Amendments Act of 2020**
REFERENCE:	**Bill 23-890, Draft Committee Print as provided to the Office of Revenue Analysis on November 11, 2020**

Conclusion

Funds are not sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill will cost $13.8 million beginning in fiscal year 2022 and a total of $32.4 million over the financial plan.

Background

The bill includes three titles that impact health-related programs in the District. Each is detailed below.

Prescription Drug Monitoring

The District's Prescription Drug Monitoring Program (PDMP) is an electronic database used to monitor and collect data on the dispensation of prescriptions for Schedule II, III, IV, and V controlled substances, as well as products containing Butalbital and Cyclobenzaprine. The PDMP is designed for licensed prescribers and dispensers to use as a tool to support informed patient care and to reduce addiction and overdose trends.

The bill requires prescribers to search the PDMP database prior to prescribing or dispensing an opioid or benzodiazepine for more than seven consecutive days, and every ninety days while a course of treatment or therapy continues. Requiring mandatory search of the database is intended to enable

prescribers and dispensers to more quickly identify drug seeking behavior to prevent the misuse or abuse of these controlled substances.

Healthcare Alliance Reform

The bill changes[1] the application and recertification process for the DC Health Care Alliance Program (Alliance). Currently Alliance enrollees need to apply in person at the Department of Human Services (DHS) to enroll in the Alliance program. Each enrollee must recertify their enrollment once every six months either by telephone or in-person at DHS to maintain coverage.

During the current public health emergency, the Mayor is not requiring in-person enrollment and Alliance applicants can submit applications through a web-based portal, over the phone, and through a mobile application. If enrollees do not recertify their enrollment, coverage is extended automatically for an additional six months. These program changes are temporary and are set to expire on December 31, 2020 upon the conclusion of the public health emergency.

The bill makes permanent the Alliance application options established during the public health emergency so that web-based, mobile, and phone enrollment will remain available. The bill also allows enrollees to recertify their enrollment in-person at DHS, through a web-based portal, through a mobile application, and over the telephone. Applicants and enrollees are no longer required to complete an in-person interview to establish and maintain enrollment. Once eligibility is determined, Alliance enrollees only need to recertify once every twelve months to maintain coverage.

The bill also requires[2] all unspent fiscal year 2021 local funds remaining in the operating budget of the Medicaid Reserve[3] and all unspent fiscal year 2021 local funds remaining in the operating budget of the Department of Health Care Finance (DHCF) to be deposited in the Medicaid Reserve Fund. Funds deposited into the Medicaid Reserve Fund are non-lapsing and continually available without regard to fiscal year limitation, subject to authorization in an approved budget and financial plan. The Mayor may not reprogram local funds appropriated for the DHCF and the Medicaid Reserve in Fiscal Year 2021 to other agencies unless the Council approves the reprogramming request by resolution.

Certified Professional Midwife Standard of Care Clarifications

The bill makes several technical clarifications[4] to the standard of care for certified professional midwives practicing in the District of Columbia. Specifically, the bill clarifies that a plan of care developed by a midwife must be provided to patients and must be included in that patient's medical record. The bill also clarifies that midwives may deliver fetuses in both out-of-hospital settings and hospital inpatient settings. Finally, the bill clarifies that delivery practice guidelines and the standards of practice and ethical conduct established by national accrediting and professional associations should

[1] By amending The Health Care Privatization Amendment Act of 2001, effective July 12, 2001 (D.C. Law 14-18; D.C. Official Code § 7-1401 et seq.).
[2] By amending Section 8b of the Department of Health Care Finance Establishment Act of 2007, effective February 27, 2008 (D.C. Law 17-109; D.C. Official Code § 7-771.01 et seq.).
[3] Budget agency code DU0.
[4] By amending The District of Columbia Health Occupations Revision Act of 1985, effective March 25, 1986 (D.C. Law 6-99; D.C. Official Code § 3-1201.01 et seq.).

not be interpreted to set, establish, define, enumerate, or otherwise lower the applicable standard of care for a certified professional midwife or certified nurse-midwife.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill will cost $13.8 million beginning in fiscal year 2022, and a total of $32.4 million over the financial plan.

Prescription Drug Monitoring

The District of Columbia Board of Pharmacy at the Department of Health (DC Health) can implement the PDMP enhancements without additional resources. DC Health already provides licensed prescribers access to the PDMP database at no cost, and current DC Health staff will monitor compliance with the bill.

Certified Professional Midwife Standard of Care Clarifications

There are no costs associated with the technical clarifications made to the standard of care for nurse midwives practicing in the District. The changes can be implemented without additional resources.

Healthcare Alliance Reform

The bill will increase Alliance enrollment by decreasing the frequency of recertifications from twice each year to once each year and allowing enrollment and maintenance of coverage to be more convenient. These changes will reduce the number of current enrollees who typically fail to re-enroll in the program at their six-month coverage expiration date, and average enrollment in fiscal year 2022 is projected to rise to 20,800. DHCF will need additional funding to cover the monthly premium costs for enrollees who will no longer lose coverage. The Office of Revenue Analysis (ORA) estimates that DHCF can absorb the cost of these additional premiums in fiscal year 2021 but will need an additional $34.85 million over the financial plan to implement the bill. The full effect of enrollment increases due to the bill's changes will not be felt until fiscal year 2022.

Since enrollees will no longer complete in-person or telephone recertification every six months, DHS will no longer need ten FTEs to complete recertifications. ORA estimates that 1,000 less people will recertify each month. The reduction in staff will save the agency roughly $805,000 a year on salary and benefit expenditures.

There is currently $17.54 million of local funding in the Medicaid Reserve Fund. The bill requires that any unspent funds in DHCF's fiscal year 2021 budget be deposited into the reserve fund. It is unknown at this time what the balance of this fund will be at the end of Fiscal Year 2021 and whether the amount will be sufficient to cover the cost of the bill. Funding must be certified and included in an approved budget and financial plan before the Alliance service enhancements can be implemented.

Prescription Drug Monitoring Program Query and Omnibus Health Amendments Act of 2020 Total Cost					
Total Cost (in $1,000s)	FY 2021	FY 2022	FY 2023	FY 2024	Total
Additional Cost of Alliance Enrollees[a]	$0	$14,613	$9,211	$11,023	$34,847
DHS Staff Savings[b]	$0	($805)	($805)	($805)	($2,415)
Total Cost	$0	$13,808	$8,406	$10,218	$32,432

Table notes:

(a) Assumes bill implementation date of March 1, 2021. The cost of Alliance coverage is $506 per person, per month, in fiscal year 2021. The cost of Alliance coverage is assumed to grow in fiscal year 2022 by four percent and decrease slightly in fiscal year 2023 as the pool of enrollees becomes healthier. After enrollment stabilizes, costs are assumed to increase by three percent annually beginning in fiscal year 2024 due to inflation.

(b) DHS will no longer need ten FTEs to handle 1,000 less recertifications each month beginning in fiscal year 2022. This includes nine, Grade-9 Social Service Representatives and one Grade-12 Supervisor.