

Opiate Antagonist (Naloxone) Bulk Purchase Fund Advisory Council 2020 Legislative Report

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COLORADO
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Title: Opiate Antagonist Bulk Purchase Fund
2020 Legislative Report

Submitted by: The Violence and Injury Prevention - Mental Health Promotion Branch within the Prevention Services Division of the Colorado Department of Public Health and Environment

Statute: C.R.S. 25-1.5-115
Due annually on October 1, and made available to the house and senate appropriations committees.

The report includes:

- (I) Revenue received by the fund.
- (II) Revenue and expenditure projections for the forthcoming fiscal year and details of all expenditures from the fund.
- (III) The eligible entities that purchased opiate antagonists.
- (IV) The amount of opiate antagonists purchased by each eligible entity.
- (V) The discount procured through bulk purchasing.

Date: October 1, 2020
This report covers activities of the program from July 1, 2019 through June 30, 2020.

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Summary

The Opiate Antagonist Bulk Purchase Fund, known as “The Naloxone Bulk Fund,” is authorized in Colorado Revised Statutes (C.R.S). § 25-1.5-115. It contributed to \$336,639 in savings to equip first responders and other agencies across the state with access to life-saving opiate antagonists. An opiate antagonist, commonly known as naloxone, is a medicine that rapidly reverses an opioid overdose. Naloxone is a key tool in the broader work of overdose prevention in Colorado. This provides crucial time for emergency medical professionals to arrive and provide required care and transportation. The Naloxone Bulk Fund is housed in the Overdose Prevention Unit in the Prevention Services Division (PSD) at the Colorado Department of Public Health and Environment (CDPHE) and exists to:

- Reduce the financial burden of purchasing naloxone for key partners by providing naloxone at no cost.
- Promote public health and safety for Colorado citizens.
- Increase access to naloxone, which is used to reverse opioid overdoses and save lives.

In its first year, the Naloxone Bulk Fund provided more than 10,000 doses of naloxone to agencies statewide. Narcan nasal spray was the most common type of naloxone distributed. The Naloxone Bulk Fund increased access to naloxone through distribution and as a result, more agencies provided naloxone training. This increased the capacity of Colorado citizens to properly administer naloxone, understand its purposes, and save lives.

The Naloxone Bulk Fund is utilized primarily by two types of entities:

1. Harm reduction agencies.
2. Law enforcement agencies.

Other types of entities include local public health agencies, school districts, and public universities.

FUNDING

FY 2019-2020

\$336,639

IMPACT

10,454

doses of
naloxone
distributed
statewide

90

entities signed
up and verified
to utilize the
Fund

The Opiate Antagonist Bulk Purchase Fund Overview

Senate Bill 19-227 and C.R.S. § 25-1.5-115 created the Opiate Antagonist Bulk Purchase Fund, known as “The Naloxone Bulk Fund,” to increase the availability of affordable opiate antagonists to eligible entities. An opiate antagonist, commonly known as naloxone, is a medicine that rapidly reverses an opioid overdose. Naloxone is a key tool in the broader work of overdose prevention in Colorado and provides crucial time for emergency medical professionals to provide required care and transportation. The Overdose Prevention Unit in the Prevention Services Division of the Colorado Department of Public Health and Environment (CDPHE) manages the Naloxone Bulk Fund.

Eligibility

Table 1 includes the list of the entities eligible for the Naloxone Bulk Fund defined in statute.

Table 1: Eligible Entity Definitions

Eligible Entity Type	Definition
Local Units of Government	A county, city and county, city, town, service authority, school district, local improvement district, law enforcement authority, water, sanitation, fire protection, metropolitan, irrigation, drainage, or other special districts, or any other kind of municipal, quasi-municipal, or public corporation organized pursuant to law.
Law Enforcement Agency	Staff at a law enforcement agency or first responder.
Harm Reduction Organization	Employee or volunteer of a harm reduction organization.
School, School District, and Public University	School district board of education of a public school, state charter school institute for an institute charter school, or governing board of a nonpublic school with a policy allowing the acquisition, maintenance, and administration of opiate antagonists.
An entity with publicly accessible defibrillators or AEDs	The statute states that entities with publicly accessible defibrillators or AEDs, such as recreation centers, shopping centers, and workplaces, may also make an opiate antagonist available, and are authorized to purchase opiate antagonists from the department.

CDPHE created an online application system for entities to apply to utilize the fund. The Naloxone Bulk Fund coordinator verifies the eligibility of each applicant, their current standing orders, and verifies that the applicants’ policies permit the organization to acquire, maintain, and administer opiate antagonists safely. If the entity meets the requirements, the Naloxone Bulk Fund coordinator sends additional program information and a naloxone order form.

To receive naloxone, eligible entities must have a current standing order from a medical provider authorizing the distribution of naloxone by trained employees to persons at risk of experiencing an overdose. Pursuant to C.R.S. § 12-36-117.7, a physician with the authority to prescribe controlled substances can issue standing orders for naloxone to be dispensed by eligible entities and their employees, expanding statewide naloxone access to those who need it most. Visit colorado.gov/cdphe/naloxoneorders to learn more.

Purchasing Agreement

To support the distribution of naloxone, the statute allows the department to contract with a prescription drug outlet organization for the purchasing and distribution of naloxone. Currently, there is a Joint Powers Agreement held by the Department of Personnel and Administration (DPA) with MMCAP (Minnesota Multistate Contracting Alliance for Pharmacy) Infuse. MMCAP Infuse is a national cooperative group purchasing organization (GPO) for government facilities. This agreement applies to CDPHE and resides at the Colorado state procurement office. The state procurement office chose, through a previous internal evaluation process, MMCAP Infuse for pricing and Cardinal Health for distribution. Cardinal Health is the pharmaceutical distributor and medical ordering organization that works in partnership with MMCAP Infuse. Through this Joint Powers Agreement, CDPHE purchases the naloxone at a discounted price and utilizes the pharmaceutical distributor Cardinal Health.

In January 2020, CDPHE began work with Cardinal Health and its Mountain West regional distribution centers to distribute naloxone products to entities who have applied to utilize the Naloxone Bulk Fund. The Naloxone Bulk Fund manages the contract with Cardinal Health and provides the infrastructure, program support, and logistical assistance to maintain the fund. The Naloxone Bulk Fund coordinator works with each agency that applies to use the fund, coordinates all orders, manages invoices, and ensures delivery of naloxone. Additionally, the Naloxone Bulk Fund coordinator provides technical assistance to ensure each entity has the correct training and requirements to acquire, maintain, and administer naloxone safely.

Program Launch and Successes, July 1, 2019, through June 30, 2020

Revenue received and expended by the fund

Senate Bill 19-227 allocated \$621,070 to CDPHE for FY 2019-20, which consisted of \$396,070 from the General Fund for use by the Prevention Services Division, including \$250,000 for naloxone to start the program and \$146,070 for administrative costs. The cash fund portion of the fiscal note was for \$225,000 from the opiate antagonist bulk purchase fund created in (C.R.S.) § 25-1.5-115(1)(a) and was included in the event revenue from settlements or other sources was made available. No settlement or other revenue was received and the cash portion of the fiscal note was not utilized in FY 2019-20.

For FY 2019-20, CDPHE covered the full cost of naloxone for eligible entities approved to use the fund. Hiring and identification of the existing purchasing agreement took several months to execute, resulting in a fully operational fund starting in January 2020. Due to salary savings, CDPHE was able to fully spend the \$250,000 originally budgeted for naloxone plus an additional \$86,639, resulting in a total of \$336,639 spent on naloxone in FY 2019-20. The fund did not receive additional revenue in FY 2019-20.

Number of entities and amount of opiate antagonists received by each eligible entity through the bulk fund

As of June 30, 2020, 90 entities in Colorado were signed up for the fund to receive free doses of naloxone. However, the first round of funding was only sufficient to meet the demand of half the list of entities who signed up for the naloxone bulk fund. The other half of the entities requested naloxone, but were unable to receive it due to funding limitations. Those entities were placed on a waitlist. Table 2 depicts the three types of naloxone products distributed by type of eligible entity. The three types of naloxone products offered were Narcan Nasal spray, naloxone in a pre-filled syringe, and naloxone in a single-dose vial for those that carry needles or are comfortable using needles in their profession. Narcan Nasal Spray was the most common type of naloxone requested by eligible entities. The Naloxone Bulk Fund offers these three types of naloxone based on research from other State naloxone programs and insight from law enforcement partners.

Table 2: Number of eligible entities enrolled and Number of opiate antagonist doses purchased and distributed as of June 30, 2020

Eligible Entity Type	Number of entities	Narcan Nasal Spray	Naloxone in a pre-filled syringe	Naloxone in a single-dose vial	Total Doses
Harm Reduction Agency	40	4,565	1,050	1,000	6,480
Law Enforcement Agency	37	2,569	220	50	2,704
Local Public Health Agency	10	784	0	0	784
School, School District, Public University	3	216	0	0	216
Total	90	8,134	1,270	1,050	10,454

Discount procured through bulk purchasing

The discount procured through the DPA agreement with MMCAP Infuse wholesale cost, using Cardinal Health’s pharmaceutical distribution, ranges from 60% savings for Narcan Nasal Spray, which is the most utilized form of naloxone, to less than 7% for other forms.

The department is responsible for paying only for the naloxone products each agency requests with no other processing costs.

Had the above entities purchased the total 10,454 doses on the retail market, the total cost to them would have been \$542,433. With the discount established through the Naloxone Bulk Fund, the state only spent \$336,639, which equates to a 62% savings.

Revenue and expenditure projections for Fiscal Year 2020-21

The legislature did not allocate funding to the department to spend on naloxone in FY 2020-21. However, CDPHE secured \$316,605 for the Naloxone Bulk Fund for FY 2020-21 through an interagency agreement with the Office of Behavioral Health from their State Opioid Response grant from the Substance Abuse and Mental Health Administration (SAMHSA). Additionally, the Colorado General Assembly allocated \$400,000 of the Federal CARES Act to the Naloxone Bulk Fund through HB 20-1411. CDPHE anticipates another \$700,000 interagency agreement from the Office of Behavioral Health at the Colorado Department of Human Services to support the fund through a new SAMHSA grant that will go into effect on October 1, 2020. Table 3 illustrates current and future funding sources, amount, and the timeline to spend each funding source. This continued funding will support ongoing life-saving measures by providing naloxone at a reduced cost to eligible entities. The Naloxone Bulk Fund is dedicated to seeking out additional funding opportunities from the federal government and other state agencies to dedicate toward this need.

Table 3. Revenue projections for FY 2020-21

Funding Source	Dollar Amount	Deadline for Spending
Interagency Agreement from the Office of Behavioral Health (OBH) in the Colorado Department of Human Services (CDHS) (Federal Funds)	\$316,605	September 30, 2020
Federal CARES Act Appropriation Fund	\$400,000	December 30, 2020
Interagency Agreement with the Office of Behavioral Health (OBH) in the Colorado Department of Human Services (CDHS) (Federal Funds)	\$700,000	September 31, 2021

Conclusion

The Naloxone Bulk Fund provided 10,454 doses of naloxone at no cost to 90 eligible entities across the state. As a result of increased access to naloxone through the fund, more agencies are providing naloxone training, and have products to show and provide to participants. This increases the capacity of Colorado citizens to properly administer naloxone, understand its purposes, and save a life. The Naloxone Bulk Fund is increasing public safety through law enforcement authorities by equipping police departments and sheriff offices statewide with naloxone for their staff to have on hand and in police vehicles. In addition, the Naloxone Bulk Fund is reducing the financial burden for Colorado agencies by providing naloxone at a reduced rate. With the support of additional funding, the Naloxone Bulk Fund could equip every law enforcement authority with naloxone nasal sprays, provide every school district with a nasal spray to be included in a safety kit with an epi-pen, increase the number of trained individuals to administer naloxone and in return decrease the stigma of naloxone through education.