

Group Update

May 15, 2017

Applies to: All Markets, excluding Medicaid, Medigap, Medicare Advantage and Federal Employee Program® (FEP®)

P.L. 2017, Chapter 28, The New Jersey Substance Use Disorder Law

On February 15, 2017, New Jersey Governor Christie enacted P.L. 2017, Chapter 28, The New Jersey Substance Use Disorder Law, which sets certain coverage requirements for the treatment of substance use disorders and regulates prescriptions of opioid drugs. This law:

- Requires New Jersey insurers to cover inpatient and outpatient treatment of substance use disorders at in-network facilities
- Puts certain restrictions on prior authorization or utilization management for the first 180 days per plan year of medically necessary inpatient and outpatient treatment of substance use disorders
- Places certain restrictions on prescribed opioids, such as a five-day supply limit on initial prescriptions issued by a New Jersey prescriber for acute pain, which was effective March 1, 2017 pursuant to emergency rules. **This applies to all markets.**

Horizon Blue Cross Blue Shield of New Jersey is implementing the requirements of the law into our current medical policies, appeals programs and prior authorization requirements, effective on new contracts and renewals on and after May 16, 2017.

- **Individual** new contracts effective on or after May 16, 2017, will be covered under the mandate on their effective date. Existing Individual members, with contracts effective on or before May 15, 2017, will be subject to the mandate on January 1, 2018.
- **Small Employer members** will be covered under the mandate on May 16, 2017.
- **Midsized 51-99 standard group members** will be covered under the mandate on May 16, 2017.
- **Certain midsized groups and large insured groups 100+ members** will be covered under the mandate upon renewal on or after May 16, 2017.
- **State Health Benefits Program (SHBP) and School Employees' Health Benefits Program (SEHBP) members** will be covered under the mandate on May 16, 2017.



Horizon Blue Cross Blue Shield of New Jersey

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- **Administrative Services Only (ASO) members** will be covered under the mandate based on the decision of their employer. These groups will be able to opt-in upon renewal.

The following is a high-level overview of substance use disorder coverage implications:

- Facilities must notify Horizon BCBSNJ of a member's admission and the initial treatment plan within 48 hours of the member's admission or initiation of treatment. If there is no in-network facility immediately available for a member, Horizon BCBSNJ must provide necessary exceptions to ensure admission to a treatment facility within 24 hours at the in-network level of benefits.
- For the first 180 days per plan year of inpatient and outpatient stay, treatment of substance use disorders must be provided when determined to be medically necessary by the member's licensed physician, psychologist or psychiatrist without any prior authorization or other prospective utilization management requirements.
 - Providers of substance use disorder treatment cannot require pre-payment of medical expenses during these 180 days in excess of the member's applicable copayment, deductible or coinsurance under the member's contract.
 - After the first 180 days per plan year, Horizon BCBSNJ can make all reasonable medical necessity determinations and subject the benefits to prior authorization or retrospective review, and other utilization management requirements.
- Benefits for the first 28 days of treatment (inpatient stay, intensive outpatient and partial hospitalization services) during each plan year must be provided without any prior authorization, retrospective review or concurrent review of medical necessity.
- Covered persons are entitled to 28 days of inpatient care during a plan year and a separate 28 days of intensive outpatient and partial hospitalization care per plan year.
- Benefits for days 29 and after of inpatient care can be subject to concurrent review. A request for approval of inpatient care beyond the first 28 days must be submitted for concurrent review before the expiration of the initial 28-day period.
- Benefits for days 29 and after of intensive outpatient or partial hospitalization services are subject to a retrospective review of the medical necessity of the services.
- Members will have the right to expedited internal and external appeals processes as well as the general appeals processes currently associated with the member's contract.
- Benefits for outpatient prescription drugs for substance use disorders must be provided when determined to be medically necessary by the member's physician, psychologist or psychiatrist without any prior authorization or other prospective utilization management requirements.

The following is a high-level overview of pharmacy coverage implications:

- Pursuant to emergency rules, the restriction to five-day supplies of initial opioid prescriptions for acute pain is effective March 1, 2017 for all members (including Medicare Advantage, Medicare Prescription (Part D), Medigap, Medicaid and FEP members) who receive an opioid prescription from a New Jersey prescriber.
 - “Acute pain” means pain, whether resulting from disease, accidental or intentional trauma or other cause that the practitioner reasonably expects to last only a short period of time.
 - “Acute pain” does not include chronic pain, pain being treated as part of cancer care, hospice or other end-of-life care or pain being treated as part of palliative care.
- Effective **May 16, 2017**, members will pay a cost share that is based on the amount prescribed. This does NOT apply to Medicare Advantage, Medicare Prescription (Part D), Medigap, Medicaid and FEP members.
 - Members will pay a cost share that is prorated when they receive their initial prescription for five days of opioids.
 - A subsequent prescription for the same opioid within 30 days of the initial five-day fill will also be prorated if less than a 30-day supply.
- In addition, prescribers cannot issue an initial prescription for an opioid drug exceeding a five-day supply for the treatment of acute pain and any prescription for acute pain must be for the lowest effective dose of an immediate-release opioid drug.
- Prior authorization and medical necessity determination criteria for Suboxone (buprenorphine/naloxone) and buprenorphine were removed effective March 13, 2017 for all fully-insured and self-funded accounts who have Horizon Pharmacy coverage, excluding those that use the Net Results formulary. Prior authorization and medical necessity determination criteria still apply to Medicare Part D (MAPD and PDP) and Medicaid lines of business.