

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5793-06
Bill No.: HCS for HB 2105
Subject: Health Care; Drugs and Controlled Substances; Pharmacy; Health and Senior Services Department; Insurance, Financial Institutions and Professional Registration Department; Mental Health Department; Physicians
Type: Original
Date: February 20, 2018

Bill Summary: This proposal establishes to Opioid Addiction Prevention and Treatment Act of 2018.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(Could exceed \$36,000,000)	(Could exceed \$36,237,793)	(Could exceed \$36,231,862)
Total Estimated Net Effect on General Revenue	(Could exceed \$36,000,000)	(Could exceed \$36,237,793)	(Could exceed \$36,231,862)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	0	1	1
Total Estimated Net Effect on FTE	0	1	1

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§630.875 - Improved Access to Treatment for Opioid Addictions (IATOA) Program

Officials from the **Department of Mental Health (DMH)** state under this proposal the DMH is to create and oversee the Improved Access to Treatment for Opioid Addictions (IATOA) Program. The cost to DMH may be reduced as the development of curriculum and examinations on opioid addiction and treatment is discretionary. DMH will facilitate partnerships between assistant physicians at Federally Qualified Health Centers (FQHC's), rural health clinics, and other health care facilities and physicians across the state. The DMH will be responsible for providing access to telemedicine and Extension for Community Healthcare Outcomes (ECHO) programs. There will be grant funding for FY 2019 to help with some of these requirements (ECHO costs plus FTE expenses). However, starting with year two, the DMH would have increased costs of \$241,023 and in year three and thereafter, the DMH would need \$235,062 to continue the services because of a reduction in grant funding.

This legislation broadens significantly the scope of DMH duties associated with addressing the ongoing opioid crisis. While there are currently grant funds available to assist with some collaborative and training efforts, this funding is set to end in 2019. Thus, one FTE, Program Specialist II (\$45,192 annually) would be needed to support, monitor, and/or implement the following time-intensive tasks and programs outlined in the proposed legislation:

- Development of (will require research and coordination with legal counsel, medical professionals, etc) an information and consent form on the effects of opioid medication and alternative pain treatments.
- Creation and oversight of an "Improved Access to Treatment for Opioid Addictions Program" - this will require the gathering and dissemination of best practice information, as well as the facilitation of partnerships between key stakeholders.
 - o Coordination, oversight, monitoring of ECHO programs.
 - o Expansion and oversight of telehealth opportunities.
 - o Oversight of the development treatment facilities in EACH county of MO; this will require intensive work with more than 30 agencies.
 - o Development of curriculum and exams for assistant physicians and/or other medical providers; this will require extensive research and collaboration with knowledgeable stakeholders.
 - o Direct support/access to referral information for recovery coaches in emergency departments, post-overdose.

ASSUMPTION (continued)

- Development, vetting, and promulgation of rules to implement the provisions of the act. There will need to be training developed on the implementation of rules, as well as training conducted on the new rules.
- Development of a state-wide plan on providing public information and education regarding opiates with new stakeholders.

Additional costs to run the IATOA program would include the cost to "establish a treatment facility in each county lacking sufficient access to opioid addiction treatment." This cost would be substantial. The DMH estimates that the need for Opioid Use Disorder (OUD) services across the state is high, with over 35,000 people needing but not receiving treatment. If even a fourth of that number (8,750 persons) presents for treatment at the new facilities, the annual cost would be over \$36,000,000 (8,750 individuals * \$4,125 average annual cost of outpatient OUD treatment = \$36,093,750). An additional factor is that the addiction workforce is not sufficient to operate new treatment facilities in every county.

Oversight has, for fiscal note purposes only, changed the starting salary for the Program Specialist II to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Bill as a whole

Officials from the **Department of Health and Senior Services**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Natural Resources**, the **Department of Social Services**, the **Joint Committee on Administrative Rules**, the **Office of Administration**, **Division of Accounting and General Services Division**, **Callaway County** and the **City of Kansas City** and each assume the proposal would not fiscally impact their respective agencies.

In response to the previous version of this proposal, officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the following **cities**: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark City, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O’Fallon, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles City Administrator, St. Louis City Budget Division, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight’s** request for fiscal impact.

Officials from the following **counties**: Andrew, Atchison, Audrain, Barry, Benton, Bollinger, Boone, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Clinton, Cole, Cooper, Davies, Dekalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Perry, Pettis, Platte, Pulaski, Scott, St. Charles, St. Francois, St. Louis, Taney, Wayne, Webster, and Worth did not respond to **Oversight’s** request for fiscal impact.

Oversight notes this proposal contains an emergency clause.

<u>FISCAL IMPACT - State Government</u>	FY 2019	FY 2020	FY 2021
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GENERAL REVENUE FUND

<u>Costs - DMH (\$630.875)</u>			
Personal service	\$0	(\$43,208)	(\$43,640)
Fringe benefits	\$0	(\$23,621)	(\$23,740)
Equipment and expense	\$0	(\$11,482)	(\$1,013)
Telehealth (ECHO) expense	\$0	(\$159,482)	(\$163,469)
Additional treatment costs	<u>(Could exceed</u> <u>\$36,000,000)</u>	<u>(Could exceed</u> <u>\$36,000,000)</u>	<u>(Could exceed</u> <u>\$36,000,000)</u>
Total <u>Costs</u> - DMH	<u>(Could exceed</u> <u>\$36,000,000)</u>	<u>(Could exceed</u> <u>\$36,237,793)</u>	<u>(Could exceed</u> <u>\$36,231,862)</u>
FTE Change - DMH	0 FTE	1 FTE	1 FTE

**ESTIMATED NET EFFECT ON THE
GENERAL REVENUE FUND**

	<u>(Could exceed</u> <u>\$36,000,000)</u>	<u>(Could exceed</u> <u>\$36,237,793)</u>	<u>(Could exceed</u> <u>\$36,231,862)</u>
Estimated Net FTE Change on the General Revenue Fund	0 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2019	FY 2020	FY 2021
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

IMPROVED ACCESS TO TREATMENT FOR OPIOID ADDICTIONS ACT

The bill creates the "Improved Access to Treatment for Opioid Addictions Program," (IATOA), which will disseminate information and best practices regarding opioid addiction. Assistant physicians who participate in the IATOA program must complete requirements to prescribe buprenorphine within 90 days of joining the program. The department may develop curriculum, examinations, and certification on the subject of opioid addiction and treatment.

FISCAL DESCRIPTION (continued)

An assistant physician in the IATOA program may serve several functions. When an overdose survivor comes to an emergency room, an assistant physician shall provide treatment options and support to the survivor, when reasonable practicable (Section 630.875).

This proposal contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Social Services
Joint Committee on Administrative Rules
Office of Administration -
 Division of Accounting
 General Services Division
Office of Secretary of State

Ross Strobe



Acting Director
February 20, 2018