Department of Planning and Budget
2018 Fiscal Impact Statement

1. **Bill Number: HB1507**

House of Origin	☒	Introduced	☐	Substitute	☐ Engrossed
Second House	☐	In Committee	☐	Substitute	☐ Enrolled

2. **Patron:** Adams

3. **Committee:** Committee Referral Pending

4. **Title:** Patient-Centered Medical Home Advisory Council; established.

5. **Summary:** Establishes the Patient-Centered Medical Home Advisory Council (Council) as an advisory council in the executive branch. The bill requires the council to advise and make recommendations to the Secretary of Health and Human Services and the agencies within his secretariat on health care reforms designed to increase access to and improve outcomes of treatment and recovery services for opioid addiction and opioid-related disorders through the use of a patient-centered medical home system.

   The bill also requires the Department of Behavioral Health and Developmental Services (DBHDS), in partnership with community services boards (CSBs), a hospital licensed in the Commonwealth, and telemedicine networks, to establish a two-year pilot program in Planning District 12 designed to provide comprehensive treatment and recovery services to uninsured or underinsured individuals suffering from opioid addiction or opioid-related disorders. The bill requires the Department and its partners to collaborate with the Patient-Centered Medical Home Advisory Council to develop the pilot program.

6. **Budget Amendment Necessary**: Yes, Item 311

7. **Fiscal Impact Estimates:**

Expenditure Impact:

FY	*Dollars*	*Fund*
2018	$0	General
2019	$1,629,200	General
2020	$1,629,200	General
2021	$0	General
2022	$0	General
2023	$0	General
2024	$0	General

8. **Fiscal Implications**: This legislation requires that DBHDS implement, based on the recommendations of the newly-formed Patient-Centered Medical Home Advisory Council, a two-year pilot program for opioid addiction and recovery services in Planning District 12. The pilot is designed to provide comprehensive treatment and recovery services to uninsured

or under-insured individuals suffering from opioid addiction or opioid-related disorders. The pilot would be operated in partnership with community services boards, a hospital and the Center for Telehealth at the University of Virginia and the Virginia Telemedicine Network. Partners in the pilot would develop an evidence-based treatment and recovery program that may include withdrawal management, medication-assisted treatment, behavioral and cognitive interventions, housing assistance, transportation assistance, and other community supports.

DBHDS, in coordination with two CSBs in the Planning District 12 region and with the use of National Survey on Drug Use and Health (NSDUH) data, has determined that funding would be necessary to provide services to approximately 150 uninsured or under-insured patients each year of the pilot program. This estimate is based on NSDUH prevalence data as well as historical data on patients with substance abuse or substance dependent diagnosis categorized in billing as self-pay or uninsured provided to DBHDS from two CSBs in Region 12.

In accordance with the language of services to be provided throughout the pilot program, DBHDS has produced a model to estimate the cost of services to 150 individuals based on unit cost and percentage of patients that utilize each service.

Service	Average Unit Cost (Per Year)	Utilization Rate	Patients	Cost
Medically managed withdrawal management	$2,450	24%	36	$88,200
Medication Assisted Treatment	$8,400	80%	120	$1,008,000
Counseling	$2,700	80%	120	$324,000
Housing Assistance	$1,200	10%	15	$18,000
Transportation Assistance	$1,560	50%	75	$117,000
TOTAL				**$1,555,200**

In addition to the cost of providing services, a partnering CSB would require a program coordinator to navigate the new caseload of patients through the detox and recovery process. The program coordinator could also assist DBHDS in the composition of the final report due to the Board and General Assembly on October 1st, 2020. DBHDS estimates that program coordinators for the purposes of the pilot would be under contract employ and would cost approximately $74,000 per year. This model assumes that the pilot would involve one CSB, and thus only require one program coordinator.

DBHDS would be responsible for the composition and delivery of a final report on the results of implementation, including aggregated patient outcomes and recommendations to Board and the General Assembly by October 1, 2020. It is estimated that with the assistance of the additional program coordinator at the CSB, DBHDS would be able to absorb the staff resources necessary in FY 2021 to complete this report.

Total two-year cost of pilot:

Services Year 1	**$1,555,200**
Services Year 2	**$1,555,200**
Program Coordinator Year 1	**$74,000**
Program Coordinator Year 2	**$74,000**
TOTAL	**$3,258,400**

It is possible that Medicaid could reimburse for the cost of some of the services provided; however, there is currently no specific language in the proposed legislation that would require Medicaid coverage for the eligible enrollees for this pilot.

9. **Specific Agency or Political Subdivisions Affected:** Department of Behavioral Health and Developmental Services, Community Services Boards, Private Hospitals, Department of Medical Assistance Services, Secretary of Health and Human Resources

10. **Technical Amendment Necessary:** No

11. **Other Comments:** None