

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB607

House of Origin	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Carr

3. Committee: Health, Welfare and Institutions

4. Title: Recovery community organization pilot program; DBHDS to evaluate

5. Summary: Directs the Department of Behavioral Health and Developmental Services (DBHDS) to develop a pilot program to evaluate the recovery community organization model of substance abuse treatment.

6. Budget Amendment Necessary: Yes Item 311

7. Fiscal Impact Estimates: Indeterminate but potentially significant

8. Fiscal Implications: The bill requires DBHDS to do the following:

1. Develop a pilot program to study implementation of a recovery community organization model of substance abuse treatment designed with input from and in consultation and collaboration with representatives of recovery community substance abuse treatment services providers.
2. Report annually by December 1 of each year to the Governor and the General Assembly regarding development and implementation of the pilot program and outcomes of the pilot program.
3. Report to the Governor and the General Assembly on (i) the outcomes of the pilot program and (ii) any recommendations for the licensure of substance abuse treatment programs that integrate recovery community organizations, which recommendations shall be based upon the outcome of the pilot program.

Furthermore, the bill states that DBHDS may do the following:

- Implement the designed pilot in at least one location in the Commonwealth.
2. The pilot may include: same day admission to sober housing, medical detoxification services, social model recovery programs including peer-to-peer recovery support services, and linkages to other treatment services, to evaluate the impacts of such programs on rates of substance abuse, overdose, and overdose deaths; interaction with

law enforcement, the judicial system, and the criminal justice system; and rates of recidivism.

Of the required items, DBHDS can absorb the costs of developing the pilot, and the costs of reporting to the General Assembly. DBHDS is already in the process of exploring the evaluation of the recovery community organization (RCO) model of substance abuse treatment.

While the language of the bill appears to be permissive, if a pilot program with services is to be implemented, based on data from comparable RCO organizations in Virginia, DBHDS estimates that the cost of an annual static slot in a recovery community organization is approximately \$10,000. The cost of these slots vary depending on the services required by the patients that occupy them, though it should be noted that some of the services outlined in the language of the bill are often very expensive because they are services that require formal licensure.

The bill also requires a robust evaluation that measures the impacts of such programs on rate of substance abuse, overdose, and overdose deaths; interaction with law enforcement, the judicial system, and the criminal justice system; and rates of recidivism. Such an evaluation would require a data management infrastructure that meets the appropriate state and federal standards for patient privacy. DBHDS estimates that an additional 15 percent of the total costs of services would be necessary to acquire such an infrastructure and perform the necessary evaluation. This estimate is based on prior experience with the development, implementation, and evaluation of similarly-sized pilot programs with comparable evaluation and reporting requirements.

Ultimately, the cost of this legislation will depend on the number of individuals served and the services provided, however the table below summarizes the assumed costs described above at various patient counts.

Patients Served	Cost of Services	Cost of Evaluation	Total Cost
75	\$750,000	\$112,500	\$862,500
100	\$1,000,000	\$150,000	\$1,150,000
150	\$1,500,000	\$225,000	\$1,775,000

9. Specific Agency or Political Subdivisions Affected: Department of Behavioral Health and Developmental Services, Community Services Boards, Recovery Community Organizations

10. Technical Amendment Necessary: No

11. Other Comments: None