Department of Planning and Budget
2020 Fiscal Impact Statement

1. **Bill Number:** SB52

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

2. **Patron:** Stanley

3. **Committee:** Education and Health

4. **Title:** Opioid addiction treatment pilot program; DBHDS, et al. to establish in Planning District 12.

5. **Summary:** Requires the Department of Behavioral Health and Developmental Services (the Department), in partnership with community services boards, 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 a work group established by the Department of interested stakeholders to develop the pilot program.

6. **Budget Amendment Necessary**: Yes, Item 322.

7. **Fiscal Impact Estimates:** See 8 below.

8. **Fiscal Implications:**

This bill proposes that DBHDS partner with community services boards (CSBs), a hospital, and telemedicine networks to establish a two-year pilot program in Planning District 12 to provide comprehensive treatment and recovery services to uninsured and underinsured individuals with opioid use disorders (OUD). The pilot program would include evidence-based treatment and recovery options that may include withdrawal management, medication-assisted treatment, behavioral and cognitive interventions, housing assistance, transportation assistance, and other community supports. The legislation also requires the formation of a workgroup to develop and implement the program in a collaborative manner with participation from a number of relevant stakeholder groups, and also requires that a system be implemented to track patient outcomes in a systematic manner. DBHDS is to report on the findings of the workgroup and any data that have been collected through the pilot program to the General Assembly by December 1, 2020.

The Department of Behavioral Health and Developmental Services has provided the following information related to the creation of the pilot program required by this bill:

DBHDS, in coordination with Piedmont CSB 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 100 uninsured individuals in the first year of the pilot and 125 in the second year. This estimate is based on NSDUH prevalence data, as well as historical data on patients with substance abuse or substance dependent diagnoses categorized in billing as self-pay or uninsured provided to DBHDS from a CSB 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 100 individuals in year one and 125 individuals in year two based on unit cost and percentage of patients that utilize each service. This estimate is based on ARTs waiver rates.

Service	**Average Unit Cost, Per Year**	**Utilization Rate**	**Cost, Year 1**	**Cost, Year 2**
Medically managed withdrawal management	$2,450	24%	$58,800	$73,500
Medication Assisted Treatment	$8,400	80%	$672,000	$840,000
Counseling	$2,700	80%	$216,000	$270,000
Housing Assistance	$1,200	10%	$12,000	$15,000
Transportation Assistance	$1,560	50%	$78,000	$97,500
Total			**$1,036,800**	**$1,296,000**

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. This model assumes that the pilot would involve only one CSB and therefore require only one program coordinator. The program coordinator could also assist DBHDS in the composition of the required final report. DBHDS estimates that program coordinators for the purposes of the pilot would be under contract employ and would cost approximately $77,700 per year.

DBHDS would be responsible for the composition and delivery of a final report on the results of implementation, including aggregated patient outcomes. With the assistance of the additional program coordinator at the CSB, DBHDS would absorb the staff resources necessary to complete this report.

Total two-year cost of pilot:

	FY2021	**FY2022**
Services	$1,036,800	$1,296,000
Program Coordinator	$77,700	$77,700
Total:	**$1,114,500**	**$1,373,700**

The costs of the pilot, per the legislation, would be funded by direct appropriation, federal Medicare reimbursements, and/or funds appropriated from the Tobacco Indemnification and Community Revitalization Fund. This Fund is supported by interest earnings and a limited annual corpus invasion of the endowment fund. Any diversion of resources from this fund for the purposes of this legislation may affect existing programs.

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