

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2356-02  
Bill No.: HCS for HB 1197  
Subject: Drugs and Controlled Substances; Health and Senior Services Department;  
Physicians  
Type: Original  
Date: April 19, 2017

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Bill Summary: This proposal modifies provisions relating to opioids.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	\$0	\$0	(\$222,536)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$222,536)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Grant income and expenses for FY 18 and FY 19 exceed \$10 million annually and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	0	0	1
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>1</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§630.875 - IATOA Act**

Officials from the **Department of Mental Health (DMH)** state this bill creates the Improved Access To Treatment for Opioid Addictions Act (IATOA ACT) to be codified at 630.875. Under this act, the DMH is mandated to create the Improved Access to Treatment for Opioid Addictions Program to disseminate information and best practices regarding opioid addiction and to facilitate collaborations to better treat and prevent opioid addiction in this state. This program must facilitate partnerships between medical professions at Federally Qualified Health Centers (FQHCs), rural health clinics, and other health care facilities practicing at remote facilities, as well as provide resources on several topics as outlined in this proposal.

Additionally, under the IATOA Act the DMH is to develop curriculum and an examination on opioid addiction and treatment. Passing participants of the examination will receive a certificate award from the DMH or a sponsoring institution, if any.

The DMH assumes that there will be expenses related to the Improved Access to Treatment for Opioid Addiction Program. There will be grant funding for FY 2018 and FY 2019 to help with some of these requirements. Starting with year three (FY 2020) and thereafter, the DMH would have increased costs of \$225,729, including 1 FTE, to continue the services required without any federal assistance through grants.

**Oversight** obtained additional information from the DMH. DMH officials provide that grant funds would be available through the Substance Abuse and Mental Health Services Administration (SAMHSA) for FYs18 and 19. This is a federal grant and it is unknown at this time whether funding would continue after FY19. Although the DMH has not yet received the grant, officials state that it appears that funds will be distributed to all applicants assuming the grant proposal is properly filled out and submitted. It is estimated that the DMH will receive approximately \$10,015,898 for each FY18 and FY 19.

The DMH further provides that a total of 4.7 FTE will be contracted through positions with the University of Missouri St. Louis, Missouri Institute of Mental Health. Salaries and fringe benefit expenditures are estimated to be \$385,274 plus indirect costs of \$100,171 (total costs \$485,445 annually). The remaining grant funds will be used for treatment-related services, outreach and prevention programs, equipment and training (approximately \$9,530,453 annually).

ASSUMPTION (continued)

The FTE that would be required to continue the program after the expiration of the grant funding would facilitate collaboration to better treat and prevent opioid addiction in the state as well as facilitate partnerships with health care facilities and physicians practicing in remote facilities across the state.

**Oversight** has, for fiscal note purposes only, changed the starting salary for the Program Specialist II (beginning in FY 20) 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.

§630.890 - Plan to inform and educate public

Officials from the **Department of Social Services (DSS)**, **MO HealthNet Division (MHD)** and **Division of Legal Services (DLS)** state section 630.890 requires DSS to collaborate with the Department of Mental Health (DMH) and the Department of Health and Senior Services (DHSS) to develop a statewide plan to inform and educate citizens on the risks associated with opioid medications and opioid addiction. The plan will need to include education on the dangers of misusing prescription medications and shall provide evidence-based treatment services for parents/caregivers of children at risk of being placed out of home due to opioid or substance misuse. DSS may utilize existing programs, including state and local programs. Federal funds may be sought. The plan is to be submitted to the Governor and the General Assembly by the start of the first Wednesday after the first Monday in January, 2018.

Officials from the **DSS**, **Children's Division (CD)** assume the evidence-based treatment services for parents and caregivers is referencing the DMH's Comprehensive Substance Treatment and Rehabilitation (CSTAR) programs and that those families with CD involvement would be referred to those programs and would be supported through DMH's existing appropriations.

However, if this legislation is interpreted to have services available beyond those already provided by DMH, the CD would anticipate a fiscal impact, particularly should a juvenile court judge interpret the language requiring the CD to fund these services. Of the 13,472 children in CD custody as of 3/31/2017; 6,003 (45%) had parental drug use as a factor in their reason for entering care.

Bill as a Whole

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Public Safety**, **Missouri Veterans Commission**, the **Office of Administration** and the **Office of State Courts Administrator** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of the Secretary of State (SOS)** state 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.

**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.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DMH (\$630.875)</u>			
Personal service	\$0	\$0	(\$43,640)
Fringe benefits	\$0	\$0	(\$23,304)
Telehealth expenses no longer covered by grant funds	<u>\$0</u>	<u>\$0</u>	<u>(\$155,592)</u>
Total <u>Costs</u> - DMH	<u>\$0</u>	<u>\$0</u>	<u>(\$222,536)</u>
FTE Change - DMH	0 FTE	0 FTE	1 FTE
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>(\$222,536)</u></u>
Estimated Net FTE Change on the General Revenue Fund	0 FTE	0 FTE	1 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>FEDERAL FUNDS</b>			
<u>Income</u> - DMH (\$630.875)			
Grant funding	\$10,015,898	\$10,015,898	\$0
<u>Costs</u> - DMH (\$630.875)			
Contract costs (personal service, fringe benefits and indirect costs)	(\$485,445)	(\$485,445)	\$0
Treatment-related grant program costs	<u>(\$9,530,453)</u>	<u>(\$9,530,453)</u>	<u>\$0</u>
Total <u>Costs</u> - DMH	<u>(\$10,015,898)</u>	<u>(\$10,015,898)</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

#### FISCAL IMPACT - Small Business

The proposal may have a positive fiscal impact on small business health care providers that participate in the grant program.

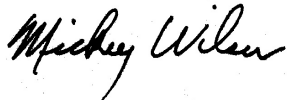
#### FISCAL DESCRIPTION

This bill creates the Improved Access To Treatment for Opioid Addictions Act (IATOA ACT) to be codified at 630.875. Under this act, the Department of Mental Health is mandated to create the Improved Access to Treatment for Opioid Addictions Program to disseminate information and best practices regarding opioid addiction and to facilitate collaborations to better treat and prevent opioid addiction in this state. This program must facilitate partnerships between medical professions at Federally Qualified Health Centers (FQHCs), rural health clinics, and other health care facilities practicing at remote facilities, as well as provide resources on several topics as outlined in this proposal.

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 Health and Senior Services  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Mental Health  
Department of Public Safety -  
    Missouri Veterans Commission  
Department of Social Services -  
    MO HealthNet Division  
    Division of Legal Services  
    Children's Division  
Joint Committee on Administrative Rules  
Office of Administration  
Office of State Courts Administrator  
Office of Secretary of State



Mickey Wilson, CPA  
Director  
April 19, 2017

Ross Strope  
Assistant Director  
April 19, 2017