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FISCAL NOTE

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Prime Sponsors: Sen. Winter; Moreno Bill Status: Senate HHS
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Bill Topic: SUBSTANCE USE DISORDERS PREVENTION MEASURES

- Summary of Fiscal Impact:
[x] State Revenue [] TABOR Refund
[x] State Expenditure [x] Local Government
[] State Transfer [] Statutory Public Entity

The bill provides funding for the implementation of several programs for the prevention of opioid and other substance use disorders. On an ongoing basis, the bill will increase state expenditures, local government revenue and expenditures, and potentially state revenue from gifts, grants, and donations.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$13.6 million to the Department of Human Services, the Department of Public Health and Environment, and to the University of Colorado.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 19-228

Table with 3 columns: Category, FY 2019-20, FY 2020-21. Rows include Revenue, Expenditures (General Fund, Marijuana Tax Cash Fund, Centrally Appropriated, Total), Total FTE, Transfers, and TABOR Refund.

Summary of Legislation

The bill provides funding for the implementation of several programs for the prevention of opioid and other substance use disorders.

Grant and pilot programs in the Department of Human Services. The bill creates three programs in the Office of Behavioral Health in the Department of Human Services (DHS), as discussed below.

- *Youth Opioid and Substance Use Prevention Grant Program.* The bill requires that \$3.0 million per year be appropriated from the Marijuana Tax Cash Fund to the newly created Youth Opioid and Substance Use Prevention Fund for five years (FY 2019-20 to FY 2023-24). Money in the fund is continuously appropriated to the DHS to cover the direct and indirect program costs. Entities applying for grants under the program must administer an evidence-based program for preventing youth opioid use.
- *Local Substance Use Disorder Prevention and Recovery Pilot and Grant Program.* The bill requires that \$3.0 million per year be appropriated from the General Fund to the newly created Local Substance Use Disorder Prevention and Recovery Pilot Program Fund for five years (FY 2019-20 to FY 2023-24). The fund is continuously appropriated to the DHS to cover direct and indirect program costs. The program is created to make grants for the purposes of supporting the full spectrum of substance use disorder prevention and treatment for children and families who have not successfully connected to services. The grant program is run in coordination with the Department of Public Health and Environment (CDPHE).
- *Maternal and Child Health Pilot Program.* The bill requires that General Fund money be annually appropriated for three years (FY 2019-20 to FY 2021-22) to the DHS to operate the Maternal and Child Health Pilot Program. The program is created to integrate substance use disorder and medication-assisted treatment with obstetric and gynecological health care at three treatment facilities and six clinics. The DHS may roll forward any unspent appropriations to the following fiscal year without further appropriation, except that any unspent money reverts to the General Fund at the end of FY 2021-22.

State and local public health funding. In FY 2019-20, the bill appropriates \$5.0 million General Fund to the CDPHE to pursue measures at the state and local levels to address opioid and other substance use disorder priorities. Of this amount, \$4.5 million is passed through to local public health agencies.

University of Colorado. The bill places several requirements on the Center for Research into Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies (center) at the University of Colorado and requires the College of Nursing to provide specified technical assistance.

- *Public awareness program.* The center must develop and implement a program to increase public awareness about the safe use, storage, and disposal of opioids, and about the availability of antagonist drugs, for which the General Assembly is required to annually appropriate \$750,000 to the center from the Marijuana Tax Cash Fund.
- *Grant assistance.* The center is required to hire additional staff to assist local communities in applying for grants, for which the General Assembly is required to appropriate funds in FY 2019-20.

- *Maternal and perinatal needs assessment.* The center is required to conduct a statewide maternal and perinatal population-based needs assessment to gather information regarding substance use disorders among mothers and pregnant women and other mental health issues, for which the General Assembly is required to appropriate \$100,000 General Fund for FY 2019-20 and FY 2020-21.
- *Women's health pilot program.* The center must establish a pilot program to test the implementation of screening, brief intervention, and referral to treatment (SBIRT) for women's health and prenatal and postpartum care in five counties, for which the General Assembly is directed to appropriate \$228,000 from the Marijuana Tax Cash Fund in FY 2019-20.
- *Training and technical assistance program.* The College of Nursing at the University of Colorado is required to implement and provide a training and technical assistance program for health care and mental health care providers in specified counties regarding SBIRT online training and tools to teach women of the risks of alcohol and substance use during pregnancy, for which the General Assembly is directed to appropriate \$172,000 per year from the Marijuana Tax Cash Fund in FY 2019-20 and FY 2020-21.

Disease-related reporting. The bill requires the DHS, the Department of Health Care Policy and Financing, and the Department of Corrections to report to the health committees of the General Assembly by December 31, 2019, on the amount of federal funds that each is receiving or is eligible to receive for use in testing for hepatitis and HIV and the number of individuals currently and anticipated to be tested. The departments are also required to share eligibility standards for treatment with primary care providers.

Prescription and provider-related measures. The bill requires certain health care providers with prescriptive authority, including podiatrists, dentists, advanced practice nurses, optometrists, and veterinarians, to complete substance use disorder training as part of the continuing education requirement for professional license renewal. The bill prohibits a physician or physician assistant from accepting any direct or indirect benefits for prescribing a specific medication. The bill allows medical examiners access to the prescription drug monitoring program (PDMP) under specified circumstances. Finally, the bill requires opioid prescriptions for outpatient use to bear a warning label.

State Revenue

This bill potentially increases state revenue to the DHS from gifts, grants, and donations. It is assumed this revenue will be deposited into a cash fund at the Department of Human Services. At this time, no source of such funding has been identified. Any revenue from gifts, grants, and donations received is exempt from the state TABOR limits.

State Expenditures

This bill increases state expenditures by \$13.7 million and 5.3 FTE in FY 2019-20 and \$8.2 million and 4.8 FTE in FY 2020-21, with costs continuing in future years. These costs, which are paid using General Fund and Marijuana Tax Cash Fund moneys, are incurred in the DHS, CDPHE, and the University of Colorado, as shown in Table 2 and discussed below. The bill will also increase workload for the Department of Corrections (DOC), the Department of Regulatory Agencies (DORA) and the Judicial Department.

Table 2
Expenditures Under SB 19-228

Cost Components	FY 2019-20	FY 2020-21
Department of Human Services		
Personal Services	\$333,966	\$364,327
Operating Expenses and Capital Outlay Costs	\$28,075	\$4,560
Evaluation Costs	\$111,221	\$109,236
Youth Opioid and Substance Use Prevention Program (MTCF)	\$3,000,000	\$3,000,000
Local Substance Use Disorder Prevention and Recovery Program	\$3,000,000	\$3,000,000
Maternal and Child Health Pilot Program	\$840,000	\$540,000
Centrally Appropriated Costs*	\$69,321	\$75,624
FTE – Personal Services	4.4 FTE	4.8 FTE
DHS (Subtotal)	\$7,382,583	\$7,093,747
Department of Public Health and Environment		
Personal Services	\$64,199	-
Operating Expenses and Capital Outlay Costs	\$5,653	-
Pass-through to Local Public Health Agencies	\$4,564,148	-
Local Data Collection	\$364,000	-
Training	\$2,000	-
Centrally Appropriated Costs*	\$53,378	-
FTE – Personal Services	0.9 FTE	-
CDPHE (Subtotal)	\$5,053,378	-
University of Colorado		
Public Opioid Awareness Campaign (MTCF)	\$750,000	\$750,000
Grant Assistance	\$50,000	\$50,000
Maternal and Perinatal Needs Assessment	\$100,000	\$100,000
Women's Health Pilot Program (MTCF)	\$228,000	-
Training and Technical Assistance Program (MTCF)	\$172,000	\$172,000
CU (Subtotal)	\$1,300,000	\$1,072,000
Total	\$13,735,961	\$8,165,747
Total FTE	5.3 FTE	4.8 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Human Services. The DHS will have costs of \$7.4 million and 4.4 FTE in FY 2019-20 and \$7.1 million and 4.8 FTE in FY 2020-21, paid from the General Fund and the Marijuana Tax Cash Fund.

- *Staffing costs.* The DHS requires three staffing units for each of the three programs created under the bill consisting of 1.0 FTE Program Manager, 0.3 FTE Data Management, and 0.3 Contract Administrator per unit, resulting in a total of 4.8 FTE. Standard operating costs and capital outlay expenses are included. First-year costs assume a July 1, 2019, start date and are prorated to reflect the General Fund pay date shift.

- *Youth Opioid and Substance Use Prevention Grant Program.* The program must be appropriated \$3.0 million per year from the Marijuana Tax Cash Fund, which will be used to issue grants to eligible entities and programs.
- *Local Substance Use Disorder Prevention and Recovery Pilot and Grant Program.* The program must be appropriated \$3.0 million General Fund per year, which will be used to issue grants to eligible entities and programs.
- *Maternal and Child Health Pilot Program.* As required by the bill, the fiscal note assumes that the DHS will operate nine pilot sites, including three treatment facilities and six clinics. It is estimated that each treatment facility grantee will receive \$200,000 in the first year for equipment, supplies, and personnel, and \$100,000 in subsequent years. Each medical clinic grantee is assumed to receive \$40,000 per year for staff training in behavioral health and other expenses.

Department of Public Health and Environment. In FY 2019-20 only, the bill increases General Fund expenditures by \$5.0 million and 0.9 FTE in the Department of Public Health and Environment (CDPHE) for the purpose of working at the state and local levels to address opioid and other substance use disorder priorities. Of this amount, \$4.5 million will be passed through to local public health agencies.

University of Colorado. The bill increases expenditures for the center and the College of Nursing by \$1.3 million in FY 2019-20 and \$1.1 million in FY 2020-21. These costs are described below.

- *Public awareness program.* The center is appropriated \$750,000 from the Marijuana Tax Cash Fund to develop and implement a program to increase public awareness about opioids, including safe use, storage, disposal, and the availability of antagonist drugs.
- *Grant assistance.* The center is required to hire additional staff to assist local communities in applying for grants. The fiscal note assumes \$50,000 General Fund is required.
- *Maternal and perinatal needs assessment.* The center is appropriated \$100,000 General Fund to conduct a statewide maternal and perinatal population-based needs assessment related to substance use disorders and other mental health issues.
- *Women's health pilot program.* The center is appropriated \$228,000 from the Marijuana Cash Fund in FY 2019-20 only to establish a pilot program to test the implementation of screening, brief intervention, and referral to treatment for women's health and prenatal and postpartum care in five counties.
- *Training and technical assistance program.* The College of Nursing is appropriated \$172,000 to implement and provide a training and technical assistance program for health care and mental health care providers in specified counties regarding SBIRT online training and tools to teach women of the risks of alcohol and substance use during pregnancy.

Disease-related reporting. The DHS, CDPHE, and the Department of Corrections can report to the health committees of the General Assembly on federal funding receipt and eligibility related to hepatitis and HIV testing within existing resources.

Department of Regulatory Agencies. DORA will have increased workload in three areas of the Division of Professions and Occupations. First, the division will be required to update rules and communicate with regulated health professionals about the changes to the continuing education requirements and the prohibition on physicians and physician assistants from accepting benefits related to specific prescriptions. Second, it will be required to update the access rules and provide technical support to allow medical examiners to access the PDMP. Finally, the Pharmacy Board will conduct rulemaking related to warning label requirements. These workload impacts can be accomplished within existing appropriations.

Judicial Department. The bill may increase trial court workload in the Judicial Department if the state seeks injunctions against physicians and physician assistants who do not comply with the prohibition from accepting benefits for prescribing specific medicines to a patient. Any impact is assumed to be minimal and no change in appropriations is required.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance, supplemental employee retirement payments, and indirect cost assessments, are estimated to be \$122,699 in FY 2019-20 and \$75,624 in FY 2020-21.

Local Government

This bill impacts local government revenue and expenditures in two ways. First, it increases funding and associated expenditures for local public health agencies in FY 2019-20. Second, to the extent that any local government agencies or health facilities receive grants under any of the various programs created by the bill, revenue and corresponding expenditures and workload will increase.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except that Sections 16 through 23 take effect only if the Title 12 Recodification bill, House Bill 19-1172, is passed, in which case these sections take effect October 1, 2019.

State Appropriations

For FY 2019-20, the bill requires appropriations totaling \$13.6 million, as follows:

- the Department of Human Services requires \$4,313,262 General Fund and an allocation of 4.4 FTE, and \$3,000,000 from the Marijuana Tax Cash Fund;
- the Department of Public Health and Environment requires \$5,000,000 General Fund an allocation of 0.9 FTE; and
- the University of Colorado requires \$150,000 General Fund and \$1,150,000 from the Marijuana Tax Cash Fund.

State and Local Government Contacts

Counties
Higher Education
Information Technology
Public Health and Environment

Health Care Policy and Financing
Human Services
Judicial
Regulatory Agencies