

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 10-0160  
**Prime Sponsor(s):** Rep. Massey  
 Sen. Boyd; Schwartz

**Date:** February 4, 2010  
**Bill Status:** House Health and Human Services  
**Fiscal Analyst:** Kerry White (303-866-3469)

**TITLE:** CONCERNING THE PROVISION OF SERVICES THROUGH THE MEDICAID PROGRAM THAT ARE RELATED TO SUBSTANCE ABUSE.

<b>Fiscal Impact Summary</b>	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
<u>Total*</u>	<u>\$870,155</u>	<u>\$1,230,285</u>
General Fund	435,078	615,143
Federal Funds	435,077	615,142
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.		
<b>Appropriation Summary for FY 2010-2011:</b> See State Appropriations Section.		
<b>Local Government Impact:</b> None.		

\* *These figures represent the minimum expected costs. See the State Expenditures section for further information.*

**Summary of Legislation**

This bill, recommended by the Health Care Task Force during the 2009 interim, adds screening, brief intervention, and referral for treatment for substance abuse to the list of optional services covered by Medicaid.

**Background**

In 2006, the Governor's Office, and Departments of Human Services and Public Health and Environment were awarded a five-year \$2.8 million dollar grant from the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA), to implement a Screening, Brief Intervention, and Referral to Treatment (SBIRT) initiative in Colorado. The initiative teaches health care providers to use the ASSIST tool to conduct screenings for substance and tobacco use; provide brief interventions to persons with positive screening results; and make referrals for more extensive treatment where appropriate. The SBIRT protocol is currently being used in 12 clinics and hospitals in 9 Colorado counties. Substance abuse treatment is currently covered under Medicaid, although screening and brief interventions are not.

**State Expenditures**

For FY 2010-11, state expenditures for the Department of Health Care Policy and Financing under HB10-1033 will be at least \$870,155, including at least \$435,078 General Fund and \$435,077 federal funds. The total cost in FY 2011-12 will be at least \$1,230,285, including at least \$615,143 General Fund and \$615,142 federal funds. Table 1 and the discussion that follows address the cost components of the bill.

<b>Table 1. Expenditures Under HB10-1033</b>		
<b>Cost Components</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Substance Abuse Screening	\$492,094	\$695,755
Brief Interventions for Substance Abuse	96,627**	136,619**
Tobacco Abuse Screening	235,977	333,640
Brief Interventions for Tobacco Use	45,457	64,271
<b>TOTAL</b>	<b>\$870,155***</b>	<b>\$1,230,285***</b>
<b>General Fund</b>	<b>435,078***</b>	<b>615,143***</b>
<b>Federal Funds</b>	<b>435,077***</b>	<b>615,142***</b>

\* *These costs could be as high as \$579,769 in FY 2010-11 and \$819,716 in FY11-12.*

\*\*\* *If costs for brief interventions for substance abuse increase, total expenditures in FY 2010-11 could be as high as \$1,353,297, of which up to \$676,649 would be General Fund and \$676,648 would be federal funds. Total expenditures in FY 2011-12 could be as high as \$1,913,382, of which up to \$956,691 would be General Fund and \$956,691 would be federal funds.*

**Key Assumptions.** Expenditures shown in Table 1 are based on the following assumptions:

**Participation**

- ▶ in FY 2010-11, 30 percent of Medicaid healthcare providers will use the SBIRT protocol, and in FY 2011-12, that number will increase to 40 percent;
- ▶ in FY 2010-11, 184,222 persons on Medicaid will access health care services; and
- ▶ in FY 2011-12, 195,349 persons on Medicaid will access health care services.

**Services**

- ▶ the SBIRT protocol's screening component is only billable if the result is positive and the person requires a brief intervention of up to 15 minutes;
- ▶ 30 percent of persons who visit a healthcare provider using SBIRT will screen positive for substance abuse and 37 percent will screen positive for tobacco use;
- ▶ of the persons who screen positive for substance abuse, 5 percent will require two brief interventions lasting greater than 15 minutes; and
- ▶ of the persons who screen positive for tobacco use, 5 percent will require two brief interventions lasting greater than 15 minutes.

***Administrative***

- ▶ Medicaid will require screenings and brief interventions for substance abuse to be billed separately from those for tobacco use;
- ▶ the SBIRT protocol will be completed as part of routine visits to existing health care providers, and an amendment to the state's Medicaid plan and federal approvals will not be required;
- ▶ the department can implement the requirements of this bill with existing staff resources; and
- ▶ the costs associated with referrals for more extensive treatment will be addressed through the annual budget process.

It should be noted that project data from the grant-funded Colorado SBIRT initiative shows that of the general population, 16 percent screen positive for substance abuse and of that number, 28 percent require services beyond the first brief intervention. If substance abuse and tobacco use patterns among persons on Medicaid is similar to those screened under the existing initiative, up to 30 percent of persons on Medicaid could require additional brief interventions. Increasing the number of brief interventions would add up to \$483,142 in FY2010-11 and \$683,097 in FY2011-12.

**State Appropriations**

The Department of Health Care Policy and Financing requires an appropriation of \$870,155 in FY 2010-11. Of the total, \$435,078 is General Fund and \$435,077 is federal funds.

**Departments Contacted**

Health Care Policy and Financing

Public Health and Environment