

STATE

REVISED CONDITIONAL FISCAL IMPACT

(replaces fiscal note dated February 4, 2010)

Drafting Number: LLS 10-0160 **Date:** April 13, 2010
Prime Sponsor(s): Rep. Massey **Bill Status:** House Third Reading
 Sen. Boyd; Schwartz **Fiscal Analyst:** Kerry White (303-866-3469)

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

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures		
Total*	\$870,155	\$1,230,285
General Fund	334,227	615,143
Federal Funds	535,928	615,142
FTE Position Change		
Effective Date: August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed and only if HB10-1284 is enacted and becomes law.		
Appropriation Summary for FY 2010-2011: See State Appropriations Section.		
Local Government Impact: None.		

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

Summary of Legislation

As amended by the House Appropriations Committee, this bill adds screening, brief intervention, and referral for treatment for substance abuse to the list of optional services covered by Medicaid. The bill is contingent upon HB10-1284 (Medical Marijuana Regulations), which is anticipated to generate a sufficient amount of sales and use tax to meet the General Fund requirements of the bill.

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 will be at least \$870,155, including at least \$334,227 General Fund and \$535,928 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.

Table 1. Expenditures Under HB10-1033		
Cost Components	FY 2010-11	FY 2011-12
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
TOTAL	\$870,155***	\$1,230,285***
General Fund	334,227***	615,143***
Federal Funds	535,928***	615,142***

** 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, not including any adjustments for American Reinvestment and Recovery Act of 2009 (ARRA) funding. The current totals for FY 2010-11 include ARRA funding. 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.

Implementation of this bill is contingent on HB10-1284 (Medical Marijuana Regulations) becoming law. The provisions of HB10-1284 specify that the first \$2 million of sales and use tax attributed to medical marijuana will be split between SBIRT and a program that provides mental health and substance abuse treatment to individuals involved in the criminal justice system. Based on a recent analysis by staff of the Joint Budget Committee, the estimated \$334,227 of General Fund required to fund SBIRT in FY 2010-11 is expected to be covered by the sales and use tax revenues generated by medical marijuana dispensaries.

State Appropriations

In FY 2010, the Department of Health Care Policy and Financing requires an appropriation of \$870,155, including \$334,227 General Fund and \$535,928 federal funds.

Departments Contacted

Health Care Policy and Financing
Public Health and Environment

Joint Budget Committee