

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Revised

House Bill 1209 (Delegate O'Donnell, *et al.*)

Judiciary

Referred to Judicial Proceedings

Children in Need of Assistance - Drug-Addicted Babies

This amended bill establishes the presumption that a child is a child in need of assistance (CINA) in cases where a child was born addicted to or dependent on cocaine, heroin, or a derivative thereof or born with a significant presence of cocaine, heroin, or a derivative thereof in the child's blood. The bill enables the Department of Human Resources (DHR), after conducting an appropriate investigation, to file a CINA petition, offer the mother admission into a drug treatment program, and initiate termination of parental rights (TPR) proceedings for a mother who does not fully participate in drug treatment. However, a CINA petition must be filed by DHR if a mother does not successfully complete drug treatment and neither parent is able to provide adequate care for a child. In determining whether to terminate parental rights, a court is required to consider whether the child was born addicted to cocaine, heroin, or a derivative thereof and the parent did not fully participate in drug treatment. DHR (in cooperation with the Department of Health and Mental Hygiene) is required to develop an intervention system in at least four counties to serve 300 families when a child is born drug exposed and medical personnel have determined that the child is at a high risk of abuse or neglect. An intervention system includes drug treatment for the mother and supportive services for the family. The bill is contingent on the inclusion in the fiscal 1998 State budget of \$1.7 million for drug abuse treatment for mothers of children born drug exposed.

Fiscal Summary

State Effect: Expenditures for drug treatment costs could increase by \$1.7 million in FY 1998. Senate action on the FY 1998 budget earmarks \$1.7 million of the Family Investment Program appropriation for drug treatment costs, contingent upon enactment of this bill. However, the House of Delegates did not take this action, so the availability of the \$1.7 million depends on whether the House concurs with the Senate's action. Future year drug treatment expenditures would increase with annualization and inflation. Revenues would

not be affected.

(\$ in millions)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
GF Expenditures	1.7	2.4	2.5	2.6	2.8
Net Effect	(\$1.7)	(\$2.4)	(\$2.5)	(\$2.6)	(\$2.8)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Small Business Effect: Potential meaningful effect on a limited number of small businesses as discussed below.

Fiscal Analysis

State Expenditures:

Substance Abuse Treatment

Expenditures for additional substance abuse treatment for mothers with drug dependent babies could increase by an estimated \$1.7 million in fiscal 1998, which reflects the bill's October 1, 1997 effective date. The costs on an annual basis would be \$2.3 million. The information and assumptions used in calculating the estimate are stated below:

- 300 mothers with drug dependent babies;
- the distribution of mothers among various types of treatment is similar to the distribution for addicted women with children currently receiving substance abuse treatment from the Alcohol and Drug Abuse Administration (ADAA), as shown in **Exhibit 1** below.

Exhibit 1

Estimated Treatment Cost Of Mothers with Drug Dependent Babies Needing Substance Abuse Treatment

Treatment Modality	Number of Mothers Needing Treatment	Estimated Treatment Cost
Halfway House (1)	6	\$67,890
Intermediate Care (2)	30	91,250
Other Residential (3)	87	1,587,750
Methadone Mainten. (4)	102	335,172
Intensive Outpatient (5)	<u>75</u>	<u>221,250</u>

TOTAL	300	\$2,303,312
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- (1) \$62/day x 365 days (bed turnover every six months)
- (2) \$100/day x 365 days (bed turnover every 30 days)
- (3) \$100/day x 365 days (bed turnover every six months)
- (4) \$3,286/year (12 month length of stay per client)
- (5) \$5,900/year (slot turnover every six months)

Source: Department of Health and Mental Hygiene

The Senate has taken action on the fiscal 1998 budget bill to earmark \$1.7 million of the Family Investment Program appropriation for drug treatment costs associated with SB 512 (contingent upon enactment of SB 512). However, the House of Delegates did not take this action, so the availability of the \$1.7 million depends on whether the House of Delegates will concur with the Senate's action. Since the \$1.7 million is in the Family Investment Program appropriation, it would be available to provide substance abuse treatment only to those mothers who are eligible for Family Investment Program assistance. Although presumably most of the mothers who give birth to drug addicted babies would also be eligible for Family Investment Program assistance, there may be some who are not eligible.

Future year substance abuse treatment expenditures reflect annualization and annual medical cost inflation of 4.7%. It is not possible to predict at this time whether Family Investment Program funds would continue in future years to be earmarked for substance abuse treatment costs associated with this bill, and if so, in what amount.

To the extent that drug treatment programs and identifying addicted infants reduce drug dependency among mothers and their children, future State expenditures on special education, child health, and public assistance programs could decrease by an indeterminate but significant amount.

Supportive Services

The intervention is to be initiated when a child is born drug exposed and medical personnel have determined that the child is at a high risk of abuse or neglect. The intervention is to consist of drug treatment and family supportive services. The 300 families to receive supportive services will be selected from among those for whom an investigation has begun and the mother has agreed to substance abuse treatment. DHR advises that supportive services for 300 families can be absorbed within existing budgeted resources because 300 families represent only 1% of total Child Protective Services caseload and many of the families would have been referred at some point to Child Protective Services anyway and do not actually represent new cases. The Department of Fiscal Services advises that the local departments of social services may vary in their capabilities to absorb these expenditures without adversely affecting services to existing caseload, depending on the distribution of the

300 families among the targeted jurisdictions.

Small Business Effect: The bill could favorably affect small business substance abuse treatment providers to the extent that funds are provided for more treatment slots. The bill's provisions on substance abuse treatment could increase the number of people in the Maryland workforce by encouraging people to overcome substance abuse problems and other impediments to participating in the workforce. Small business child care providers in areas of the State where the demand for child care services exceeds the supply of providers could be favorably affected. Child care services are almost entirely provided by small business.

Information Source(s): Department of Fiscal Services

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