

Department of Legislative Services
 Maryland General Assembly
 2000 Session

FISCAL NOTE

Revised

House Bill 1205 (Delegate Gladden, *et al.*)

Environmental Matters

Referred to Economic and Environmental Affairs &

Budget and Taxation

Substance Abuse Treatment Outcomes Partnership -
 S.T.O.P. Fund

This bill establishes the Substance Abuse Treatment Outcomes Partnership (S.T.O.P) Fund within the Department of Health and Mental Hygiene (DHMH). The S.T.O.P. Fund will be used to make grants to counties that submit proposals for substance abuse treatment programs. The Governor must include funds in the State budget in fiscal years 2002, 2003, and 2004 for the S.T.O.P. Fund. The bill also specifies the eligible populations to be served and outlines the aspects to be considered in evaluating a proposal for funding. A county receiving a S.T.O.P. grant must provide a 50% match. DHMH is authorized to waive the 50% match requirement under certain circumstances.

Fiscal Summary

State Effect: General fund expenditures would increase by \$4 million in FY 2002, \$8 million in FY 2003, and \$12 million in FY 2004 for the establishment and management of the S.T.O.P. Fund. Revenues would not be affected.

(in millions)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	0	4.0	8.0	12.0	0
Net Effect	\$0	(\$4.0)	(\$8.0)	(\$12.0)	\$0

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

Local Effect: Total local expenditures increase by an estimated \$8 million in FY 2002 as the entire S.T.O.P. Fund allowance of \$4 million from the State is expected to be distributed to local governments in FY 2002 to match an assumed total of \$4 million in additional local funds committed to partnership proposals.

Small Business Effect: Minimal.

Analysis

Bill Summary: DHMH is to adopt regulations addressing guidelines that require programs to bill third-party insurers, billing procedures, and procedures for fund distribution and management. On or before December 1 of each year, DHMH must submit a report to the Governor and the General Assembly evaluating the results of funded partnerships using performance and outcome measures adopted by DHMH and the existing Task Force to Study the Increasing Availability of Substance Abuse Programs (Task Force to Study IASAP).

Proposals requesting partnership funds may be presented to DHMH by the governing body of one or more local jurisdictions. A request for partnership funding must include an indication of the eligible targeted population, a description of the services to be provided under a new or expanded program, an identification of the local providers able to provide these services, a plan to reach the targeted population, performance and outcome indicators, and a statement of the funds the applicant intends to commit which are to be matched by the fund.

In evaluating the S.T.O.P. Fund request, DHMH, in consultation with the Task Force to Study IASAP, must consider the following: (1) performance and outcome indicators specified; (2) the possible reduction of need for other substance abuse services created by the proposal; (3) the extent to which the proposal will utilize available medical-related facilities, including vacant hospital beds; (4) the proposal's fit into a balanced approach to the State's needs; and (5) the proposal's consistency with regional strategy and adjoining jurisdictions.

After consulting the Task Force to Study IASAP, DHMH must award partnership funding. A county could be allowed to be responsible for less than one-half of the costs after DHMH considers: (1) the financial hardship of the participating county; (2) the county's prior contributions made for substance abuse treatment programs; or (3) any other relevant considerations deemed appropriate by DHMH. It is the intent of the General Assembly that S.T.O.P. funds, whether from general funds, special funds, or federal funds, be in addition to other appropriations for substance abuse treatment and may not supplant other State appropriations. In addition, a participating county is only allowed to supplement spending through the fund program and is prohibited from supplanting spending on drug treatment programs with S.T.O.P. funds.

The required S.T.O.P. Fund allowance will be:

- (i) \$4 million in fiscal 2002;
- (ii) \$8 million in fiscal 2003; and
- (iii) \$12 million in fiscal 2004

Current Law: Chapter 778 of 1998 established the Task Force to Study IASAP to develop a comprehensive strategy for increasing the funding and availability of substance abuse services.

There are no provisions in current law addressing the S.T.O.P. Fund.

Background: The Committee on Availability and the Committee on Effectiveness within the Task Force to Study IASAP found there to be insufficient treatment capacity in Maryland, multiple funding streams, and that Maryland should establish a statewide treatment system which allows for coordinated care, efficient funding streams, improved access for the uninsured, and systemic accountability. Funds are included in the proposed fiscal 2001 budget for numerous substance abuse programs within DHMH, including Medicaid funds, Mental Hygiene Administration funds, and \$87 million within the Alcohol and Drug Abuse Administration for addictions services. Funding is also provided to the Department of Human Resources, Department of Public Safety and Correctional Services, and the Department of Juvenile Justice.

State Fiscal Effect: General fund expenditures would increase by approximately \$4 million in fiscal 2002 for the establishment and management of the S.T.O.P. Fund. It is assumed that all fund resources would be distributed each year for local substance abuse treatment programs and partnerships. Similarly, future year expenditures are expected to total \$8 million in fiscal 2003, and \$12 million in fiscal 2004.

Local Fiscal Effect: Proposals submitted by one or more local jurisdictions must specify the amount of funds to be committed for the establishment or expansion of a drug treatment program. It is assumed that the \$8 million in total local expenditures for fiscal 2002 will include \$4 million in local funds above current substance abuse program spending and \$4 million in State S.T.O.P. funds. Future year expenditures are expected to be \$16 million in fiscal 2003, and \$24 million in fiscal 2004, assuming that maximum additional local funds will be committed to partnership proposals.

Additional Information

Prior Introductions: None.

Cross File: SB 743 (Senator Neall, *et al.*) - Economic and Environmental Affairs and Budget and Taxation.

Information Source(s): Department of Health and Mental Hygiene, Office of the Attorney General, Maryland Institute for Emergency Medical Services Systems, Department of Legislative Services

Fiscal Note History: First Reader - February 21, 2000
mld/jr Revised - House Third Reader - March 28, 2000
Revised - Enrolled Bill - May 2, 2000

Analysis by: Louise Hanson

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510