

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 403

(Delegate Sophocleus)

Environmental Matters

Economic and Environmental Affairs

Department of Health and Mental Hygiene - Alcohol Abuse and Drug Treatment Programs

This bill requires alcohol and drug abuse treatment programs that are accredited by the Joint Commission on Accreditation of Hospitals (JCAHO) to obtain certification from the Department of Health and Mental Hygiene (DHMH) in order to provide services in the State.

Fiscal Summary

State Effect: General fund expenditures could increase by \$50,900 in FY 2002. Future year expenditures reflect annualization and inflation. No effect on revenues.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	50,900	63,900	66,900	70,200	73,700
Net Effect	(\$50,900)	(\$63,900)	(\$66,900)	(\$70,200)	(\$73,700)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Alcohol and drug abuse treatment programs that are accredited by the Joint Commission on Accreditation of Hospitals are not required to obtain certification from DHMH in order to provide services in the State.

State Expenditures: This bill requires the Office of Health Care Quality to certify an additional 31 alcohol and drug treatment programs that were previously exempt due to JCAHO accreditation. Each facility requires approximately three days for inspection, plus time for write-ups and enforcement actions, etc. These inspections are done annually. Moreover, DHMH advises that the State has received an influx of applications from providers who want to provide open treatment facilities in Maryland. Consequently, these additional facilities would also need to be inspected and certified annually. General fund expenditures could increase by an estimated \$50,896 in fiscal 2002, which accounts for the bill's October 1, 2001 effective date. This estimate reflects the cost of one new position (coordinator special programs V). It includes a salary, fringe benefits, one-time start-up costs, and ongoing expenses.

Salary and Fringe Benefits	\$40,489
Operating Expenses	<u>10,407</u>
Total FY 2002 State Expenditures	\$50,896

Future year estimates reflect: (1) full salaries with a 6.5% increase in fiscal 2003 and a 4.5% increase each year thereafter, with a 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Additional Information

Prior Introductions: None.

Cross File: SB 350 (Senators DeGrange and Hollinger) – Economic and Environmental Affairs.

Information Source(s): Department of Health and Mental Hygiene (Office of Health Care Quality, Developmental Disabilities Administration), Department of Legislative Services

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