HB 1349

Department of Legislative Services

Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 1349 (Delegate Nathan-Pulliam, *et al.*)
Environmental Matters

Long-Term Residential Drug Treatment Pilot Program

This bill establishes a Long-Term Residential Drug Treatment Pilot Program in the Department of Health and Mental Hygiene, and a Long-Term Residential Treatment Trust Fund to provide capital and operating resources for the program.

The bill takes effect on July 1, 2001 and sunsets December 31, 2008.

Fiscal Summary

State Effect: General fund expenditures could increase by approximately $12.53 million in FY 2003, which includes $9.85 million for a facility. Future years reflect annualization and inflation. General fund revenues could increase due to any Medicaid or other reimbursement received for services rendered. This amount, however, cannot be accurately calculated but is expected to be minimal.

($ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
GF Revenue	$0	-	-	-	-
GF Expenditure	0	12.53	3.46	3.61	3.77
Net Effect	$0	($12.53)	($3.46)	($3.61)	($3.77)

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The pilot program will provide comprehensive residential treatment of up to one year and additional outpatient support of up to six months to individuals who are addicted to drugs or dually diagnosed and who are nonviolent offenders subject to sanction in the criminal justice system. The program seeks to enroll 50 adult clients annually in the following proportions: (1) one-third nonviolent offenders who are currently incarcerated in a State correctional facility and who are found to be eligible for residential treatment; (2) one-third pretrial nonviolent offenders who are eligible for residential addictions treatment instead of incarceration; and (3) one-third other nonviolent individuals who have failed the drug court system. A portion of these clients must be dually diagnosed, requiring both treatment for drug addiction and mental health services. Clients will be accepted on a first-come, first-served basis, subject to screening for compatibility with the program.

The bill requires that the program be ready to accept its first clients by January 1, 2003, and requests that the Governor include a sufficient amount in the fiscal 2003 and 2004 budgets to identify, acquire or transfer, and rehabilitate a facility suitable for use by the program, and to provide sufficient funds to operate and administer the program in fiscal 2003 through fiscal 2009.

The bill also establishes a Long-Term Residential Treatment Trust Fund to provide capital and operating resources for the program. The fund will consist of moneys appropriated from the general fund and may receive other moneys from federal, public, or private sources. Moneys from the fund may be used for: (1) drug treatment programs; (2) education, including vocational and literacy training; (3) family counseling; and (4) court costs and monitoring expenses and administrative costs associated with the program. Any moneys remaining in the fund at the end of December 31, 2008 will revert to the general fund.

The Alcohol and Drug Abuse Administration (ADAA) in coordination with the Division of Correction and Division of Parole and Probation is required to adopt regulations to implement the provisions of the bill, and to study, review, and investigate the program and its impact and make recommendations to improve the program. ADAA is required to report its findings to the Governor and the General Assembly beginning January 1, 2003 and each January 1 thereafter.

Current Law: None applicable to this specific program. The ADAA, however, is authorized by statute to establish, direct, and conduct any experimental pilot clinical programs for the treatment of alcohol or drug abusers, including any program to administer, under medical supervision and control, maintenance dosages of prescribed drugs.

State Revenues: General fund revenues could increase as a result of reimbursement received for services from Medicaid or other sources. The amount of this reimbursement cannot be accurately quantified at this time, although it is expected to be minimal because: (1) most individuals in the program are not expected to be self-paying or have private insurance; (2) only a small percentage of the clients will be Medicaid eligible; and (3) Medicaid only covers outpatient treatment and 30 days of inpatient treatment (this program includes 12 months of inpatient treatment).

State Expenditures: General fund expenditures would increase by approximately $12.53 million in fiscal 2003. This estimate reflects the cost of acquiring, equipping, furnishing, and otherwise readying a facility to be operational by January 1, 2003. It also includes the cost of hiring 53 employees to fulfill the requirements of the bill and allows for a 90-day start-up period preceding the January 1, 2003 service date. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. These expenses include: meals, utilities, trash removal, outside dental/medical requirements, beautician services, building maintenance, photocopy rental, cleaning supplies, linens and bedding, office supplies, office furniture, computer equipment and telephones, and a per diem daily miscellaneous expense cost of $25 (e.g., prescription medication).

The Division of Correction (DOC) is expected to experience a minimal savings from having some nonviolent offenders enter into the residential treatment program rather than be housed by the DOC. Any such savings, however, is expected to be minimal. The information and assumptions used in calculating the fiscal 2003 estimate are listed below:

Salaries and Fringe Benefits	$1,817,767
Facility	9,849,268
Other Operating Expenses	867,632
Total FY 2003 State Expenditures	**$12,534,667**

Future years reflect: (1) full salaries with a 4.5% increase each year and 3% employee turnover; (2) 1% annual inflation; and (3) annualization.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Public Safety and Correctional Services (Division of Correction, Parole and Probation), Judiciary (Administrative Office of the Courts), Office of the Public Defender, Department of Legislative Services

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