

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE

House Bill 678 (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 (DHMH), and a Long-Term Residential Treatment Trust Fund to provide capital and operating expenses for the program.

The bill takes effect July 1, 2002.

Fiscal Summary

State Effect: Special fund expenditures could increase by approximately \$9.9 million in FY 2003, which includes \$9.8 million for a facility. Future years reflect the pilot program accepting clients beginning January 1, 2004, annualization, and inflation. Special fund revenues could increase due to any funds DHMH receives from public and private sources.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
SF Revenue	-	-	-	-	-
SF Expenditure	9,908,400	3,456,300	5,538,400	5,648,400	5,763,300
Net Effect	(\$9,908,400)	(\$3,456,300)	(\$5,538,400)	(\$5,648,400)	(\$5,763,300)

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 residential treatment of up to one year and additional outpatient support of up to six months to individuals who are alcohol or drug abusers and are dually diagnosed with a mental disorder. The program seeks to enroll approximately 50 adult clients each year. The bill requires that the program be ready to accept its first clients by January 1, 2004. Services to clients will include substance abuse treatment, psychiatric intervention, vocational and educational rehabilitation, and case management.

This bill requires the Alcohol and Drug Abuse Administration (ADAA) to coordinate planning and implementing the pilot program with an appropriate private organization. Together, ADAA and the organization must develop a proposed budget for the pilot program and identify available means to fund the program through public and private sources. They also must identify and acquire real property and facilities for the program. By January 1, 2003, ADAA and the organization must report to the General Assembly on additional recommendations to implement and fund the pilot program, including proposed legislation.

This bill also establishes a special, nonlapsing Long-Term Residential Treatment Trust Fund to provide capital and operating resources for the program. The fund will consist of moneys appropriated each year from the general fund and may receive other moneys from public and private sources.

Current Law: None applicable to this specific program. However, the ADAA 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: Special fund revenues could increase in fiscal 2003 and in future years depending on any public or private funds the nonlapsing trust fund receives. However, this amount cannot be reliably predicted.

State Expenditures: Special fund expenditures could increase by an estimated \$9,908,421 in fiscal 2003. This estimate reflects the cost of acquiring, equipping, furnishing, and otherwise readying a facility to be operational by January 1, 2004. It also includes the cost of hiring a contractual administrator and office secretary to establish the program in fiscal 2003 and 2004 and allows for a 90-day start-up period. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. Beginning in fiscal 2004, the estimate reflects the cost of hiring 52 employees to fulfill

the requirements of the bill and allows for a 90-day start-up delay. It also includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$52,757
Facility	9,846,198
Operating Expenses	<u>9,466</u>
Total FY 2003 State Expenditures	\$9,908,421

Future year expenditures reflect: (1) full salaries with 3.5% annual increases and 3% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) the pilot program accepting clients beginning January 1, 2004.

Additional Information

Prior Introductions: A similar bill HB 1349 was introduced in the 2001 session. It had a hearing in the House Environmental Matters Committee but no further action was taken.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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