

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 367

(Senator Pugh, *et al.*)

Finance

Drug Abuse Treatment Programs - Locations and Economic Impact Study

This bill requires the Department of Health and Mental Hygiene (DHMH) and the University of Baltimore (UB) to jointly identify the location and then study and evaluate the economic impact of each drug abuse treatment program in the State on surrounding businesses and residential neighborhoods. DHMH and UB must report their findings to the Governor and the General Assembly by December 1, 2014.

The bill takes effect June 1, 2014, and terminates May 31, 2015.

Fiscal Summary

State Effect: DHMH can provide a list of the location of each drug abuse treatment program in the State using existing resources. However, given the significant number of drug abuse treatment programs, an evaluation of the economic impact of each program is not feasible within the timeframe specified by the bill. To the extent that a narrower scope were undertaken, UB estimates that a study of a small number of programs could be completed in FY 2015 at a minimum cost of \$300,000 in general funds.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: There is no requirement to study the economic impact of drug abuse treatment programs in Maryland.

To become licensed as a drug abuse treatment program in Maryland, a provider must obtain a separate license and certification for each level of care in the alcohol and drug abuse treatment continuum and for each location in which the treatment is to be provided. Licensure and certification is conducted by DHMH's Office of Health Care Quality. In the case of programs treating heroin and other narcotic addictions using pharmacotherapy, additional licensing is required by the U.S. Food and Drug Administration, the U.S. Drug Enforcement Administration, and DHMH's Division of Drug Control. Hospitals accredited by the joint commission with a separately accredited drug or alcohol abuse program are exempt from licensure and certification requirements.

According to DHMH, there are 603 licensed drug abuse treatment programs in Maryland at 584 locations (some programs are located at the same address).

State Expenditures: DHMH and UB advise, and the Department of Legislative Services concurs, that the scope of the study is not feasible within the timeframe specified by the bill.

While DHMH could provide a list of the location of each of the 603 licensed drug abuse treatment programs in the State, the department advises that it does not have the resources or expertise to conduct economic impact studies.

UB advises that it does have the technical expertise to conduct such studies using professional staff members of the Jacob France Institute and UB's Schafer Center for Public Policy. However, UB does not have the capacity to evaluate each of the State's 603 drug abuse treatment programs within the bill's six-month timeframe. UB notes that it could conduct a smaller-scale study of a sample of 20 drug abuse treatment programs throughout the State, each of which would represent geographic regions. This smaller-scale study would increase general fund expenditures by at least \$300,000 in fiscal 2015. To conduct a study as described in the bill would take several years and require significantly greater general fund expenditures.

Additional Information

Prior Introductions: None.

Cross File: HB 584 (Delegate Davis) - Health and Government Operations.

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

Fiscal Note History: First Reader - February 4, 2014
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