



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 369 of the 130th G.A.](#) **Date:** March 14, 2014
Status: As Reported by House Health and Aging **Sponsor:** Rep. Sprague

Local Impact Statement Procedure Required: Yes

Contents: To establish requirements for board services for opiate and co-occurring drug addiction, to require rules regarding intake and resumption of service procedures for community alcohol and drug addiction services providers, to help defray payroll costs associated with certain courts' employment of specialty docket staff, to provide a state share of the capital costs of recovery housing projects, and to add a county to an addiction treatment pilot program

State Fiscal Highlights

- The bill earmarks \$25.0 million of the Ohio Department of Mental Health and Addiction Services' (OMHAS) GRF line item 335507, Community Behavioral Health, in FY 2015 to fund the state share of the capital costs of recovery housing projects. (The bill removes the line item's current earmarks for FY 2015 of \$30.0 million for mental health services and \$17.5 million for alcohol and drug addiction services.) The bill allows the newly earmarked funds to also be used to pay the first two years of operating expenses for certain recovery housing projects and requires that \$500,000 of the earmark be used to enter into a three-year contract between OMHAS and a nongovernmental organization to organize a network of recovery housing in Ohio.
- The bill appropriates GRF funding of \$8,821,800 in FY 2015 to be used by the Department of Rehabilitation and Correction (DRC) to defray a portion of the annual payroll costs associated with up to two full-time equivalent staff members employed by common pleas, municipal, and county courts with certain certified specialty dockets. Related temporary law requires DRC to use up to 1%, or \$88,218, of the FY 2015 appropriation for its administrative expenses.
- The bill requires OMHAS to make a report on the community alcohol and drug addiction wait lists available on its website and lists the content the report must contain. There would likely be an increase in costs to OMHAS to create the statewide wait list report and post it on its website.

- The bill requires OMHAS to adopt rules to streamline intake paperwork, questionnaires, and processes for addiction treatment clients and providers so as to mirror the practices employed in the primary healthcare environment. The bill also requires that OMHAS adopt rules to allow alcohol and drug addiction providers to retain their clients as active patients for longer than 30 days. Furthermore, the bill requires OMHAS adopt rules governing the waiting lists that ADAMHS boards must establish and maintain. There would be a minimal increase in administrative costs to OMHAS to adopt these rules.

Local Fiscal Highlights

- The bill requires each board of alcohol, drug addiction, and mental health services (ADAMHS board) to provide recovery housing. The bill also requires the ADAMHS boards to pay the local portion of the capital costs for recovery housing, unless an ADAMHS board cannot afford it, in which case the state will pay for the capital costs in most instances.
- The bill requires ADAMHS boards to pay for the operating expenses of the recovery housing facilities except for those facilities for which the state paid 100% of the capital costs. In those cases, the state must pay 90% of the first two years of operating expenses.
- The bill requires ADAMHS boards to provide for a full spectrum of care services for opiate and co-occurring drug addiction. Some services are not covered by the Medicaid Program; therefore, there could be an increase in costs to ADAMHS boards to provide these additional services. In addition, ADAMHS boards assist individuals who are not covered by Medicaid. An individual could have part of the costs of a service under the full spectrum of care services paid for by the ADAMHS board if the person cannot afford to pay for the service.
- The bill requires each ADAMHS board to maintain a community alcohol and drug addiction services wait list. In addition, the bill requires each ADAMHS board to report to OMHAS wait list information and to submit the information confidentially via electronic means. There could be an increase in administrative costs to ADAMHS boards to create the wait lists, if they do not already exist, and to collect and submit data on wait list individuals to OMHAS.
- The bill requires OMHAS to adopt rules to streamline intake paperwork, questionnaires, and processes for addiction treatment clients and providers so as to mirror the practices employed in the primary healthcare environment. The bill also requires that OMHAS adopt rules to allow alcohol and drug addiction providers to retain their clients as active patients for longer than 30 days. There could be a potential decrease in administrative costs to ADAMHS boards if the intake process is streamlined and also does not need to be repeated for clients retained as active patients.

Detailed Fiscal Analysis

Recovery housing

The bill requires each board of alcohol, drug addiction, and mental health services (ADAMHS board) to provide recovery housing. The bill defines recovery housing as a facility for people recovering from addiction and is characterized by an alcohol and drug free living environment with peer support and other addiction recovery aids, including linkages to addiction treatment services. The bill prioritizes recovery housing for persons suffering from opiate or co-occurring drug addiction, but permits an available slot to be used by other recovering alcohol and drug addicted-persons if an available slot is not needed for an individual recovering from opiate or co-occurring drug addiction. The bill also requires recovery housing be owned and operated by a community alcohol and drug addiction services provider or other local nongovernmental organization.

The bill earmarks \$25.0 million of GRF line item 335507, Community Behavioral Health, in FY 2015 to fund the state share of the capital costs of recovery housing projects and removes the line item's previous earmarks of \$30.0 million for mental health services and \$17.5 million for alcohol and drug addiction services. The previous earmarks were made in Am. Sub. H.B. 59 of the 130th General Assembly.

The bill requires that the OMHAS Director prioritize the funding for projects in counties that currently have no recovery housing options. The bill provides that the funds may also be used to pay the first two years of operating expenses for certain recovery housing projects. The bill also requires that \$500,000 of the \$25.0 million earmark be used to enter into a three-year contract between OMHAS and a nongovernmental organization to organize a network of recovery housing in Ohio.

Under the bill, ADAMHS boards could incur a local share cost to provide recovery housing. The bill specifies that for Cuyahoga, Franklin, Hamilton, Lucas, Mahoning, Montgomery, Stark, and Summit counties, if recovery housing already exists in the county, the state must pay 50% of capital costs of additional recovery housing projects and the ADAMHS board must pay 50%. If no recovery housing exists in the county, the state must pay 90% of the capital costs and the ADAMHS board must pay 10%, unless the ADAMHS board cannot afford the 10% share, in which case the state must pay 100%. For the remaining 80 counties, the state must pay 90% of the recovery housing capital costs and the ADAMHS board must pay 10%, unless the ADAMHS board cannot afford the 10% share, in which case the state must pay 100%.

Under the bill, there would be an increase in costs to ADAMHS boards to pay for the operating expenses of recovery housing. These costs would depend on the level of care provided and whether the housing is single-person or family housing. The bill requires ADAMHS boards to pay for the operating expenses of the recovery housing

facilities except for those facilities for which the state paid 100% of the capital costs. In those cases, the state must pay 90% of the first two years of operating expenses.

Full spectrum of care services for opiate and co-occurring drug addiction

The bill requires each ADAMHS board to provide a "full spectrum of care" and requires that the full spectrum of care include all levels of treatment services for opiate and co-occurring drug addiction. These services would include, but not be limited to, ambulatory and sub-acute detoxification, nonintensive and intensive outpatient services, medication-assisted treatment, peer mentoring, residential treatment services, recovery housing, and twelve-step approaches. According to the Ohio Department of Medicaid (ODM) and the Ohio Association of County Behavioral Health Authorities, peer mentoring, the room and board portions of residential treatment services, and twelve-step programs are not covered by the Medicaid Program. As a result, ADAMHS boards could incur an increase in costs to provide these additional services to Medicaid recipients. In addition, ADAMHS boards assist individuals who are not covered by Medicaid. An individual could have part of the costs of a service under the full spectrum of care services paid for by the ADAMHS board if the person cannot pay for the service.

The bill also requires the Director of OMHAS to withhold all funds to an ADAMHS board if the board fails to make the full spectrum of care for all levels of treatment services for opiate and co-occurring drug addiction available in the board's district. Under the bill, providers would be paid directly by OMHAS instead of their local board for services rendered. There could be an increase in administrative costs to OMHAS to pay providers if an ADAMHS board fails to provide the full spectrum of care.

These provisions are effective one year after the bill's effective date.

Specialized docket staff members

The bill creates GRF line item 501502, Specialty Docket Staff Payroll Costs, to be used by the Department of Rehabilitation and Correction (DRC), and appropriates \$8,821,800 in FY 2015. The appropriation is to be used to defray a portion of the annual payroll costs associated with up to two full-time equivalent staff members employed by common pleas, municipal, and county courts with drug-related specialty dockets certified by the Supreme Court of Ohio. Related temporary law requires DRC to use up to 1%, or \$88,218, of the FY 2015 appropriation for its administrative expenses.

As of mid-February 2014, there were five fully certified drug courts in Ohio, and another 82 courts that had applied to the Supreme Court of Ohio for specialty docket certification that are likely to meet the bill's funding eligibility requirements.¹ Based on

¹ The five courts are: (1) the Ashtabula County Common Pleas Drug Court, (2) the Delaware County Common Pleas Drug Court, (3) the Franklin County Family Drug Court, (4) the Licking County Common Pleas Drug Court, and (5) the Wayne County Common Pleas Drug Court.

the formulas in the bill, LSC fiscal staff calculates the associated total statewide annual payroll cost at \$13,572,000 in FY 2015, with the state covering \$8,821,800 and the courts responsible for the remainder, or \$4,750,200.

Community wait list

The bill requires each ADAMHS board to maintain a community alcohol and drug addiction services wait list and notify an individual on the waiting list when the provider to which the board referred the individual has a slot available. In addition, the bill requires each ADAMHS board to report to OMHAS wait list information and to submit the information confidentially via electronic means. The bill also requires OMHAS to make a report on the community alcohol and drug addiction wait lists available on its website and lists the content the report must contain. There could be an increase in administrative costs to ADAMHS boards to create the wait lists, if they do not already exist, and to collect and submit data on wait list individuals to OMHAS. There would likely be an increase in costs to OMHAS to create the statewide wait list report and post it on its website.

Adoption of rules

The bill requires OMHAS to adopt rules to streamline intake paperwork, questionnaires, and processes for addiction treatment clients and providers so as to mirror the practices employed in the primary healthcare environment. The bill also requires that OMHAS adopt rules to allow alcohol and drug addiction providers to retain their clients as active patients for longer than 30 days. Furthermore, the bill requires OMHAS adopt rules governing the waiting lists that ADAMHS boards must establish and maintain. There would be a minimal increase in administrative costs to OMHAS to adopt these rules. There could be a potential decrease in administrative costs to ADAMHS boards if the intake process is streamlined and also does not need to be repeated for clients retained as active patients.