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FISCAL IMPACT STATEMENT

LS 7464

BILL NUMBER: SB 450

NOTE PREPARED: Feb 12, 2007

BILL AMENDED: Feb 12, 2007

SUBJECT: Report on Adequacy of Methadone Clinic Regulations.

FIRST AUTHOR: Sen. Sipes

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill places a moratorium on new methadone providers.

The bill requires the Division of Mental Health and Addiction to: (1) compare other state regulations of methadone clinics with Indiana regulations; (2) address concerns that have been raised concerning Indiana's regulation of methadone clinics; and (3) prepare a report to be submitted to the Health Finance Commission and the General Assembly; before July 1, 2007.

The bill requires the Director of the Division of Mental Health and Addiction to testify before the Health Finance Commission, and requires the Health Finance Commission to study the adequacy of Indiana's methadone clinic regulations during the 2007 interim.

The bill repeals a provision that allows new methadone providers under certain circumstances.

Effective Date: Upon passage; July 1, 2007.

Explanation of State Expenditures: *Division of Mental Health and Addiction:* The Division of Mental Health and Addiction (DMHA) should be able to implement the provisions of this bill within its existing level of resources.

Health Finance Commission: The Health Finance Commission is also required by the bill to study the adequacy of Indiana's regulation of methadone clinics during the 2007 interim. During the 2006 interim, the Health Finance Commission spent approximately \$7,800 and held two meetings.

Opioid Treatment Programs Moratorium: As proposed, the DMHA would no longer be allowed to approve any new opioid treatment programs (methadone clinics). Currently, the DMHA may approve a clinic if a provider is in a county contiguous to a county in which an existing provider is located and: (a) the clinic will be located in a county with a population of more than 40,000; (b) there are no other methadone providers in the county in which the provider is seeking approval; and (c) the provider provides certain required information to the DMHA.

As a result of the moratorium, the DMHA would not be responsible for conducting annual site visits to clinics which potentially would have applied to the DMHA for approval in the future. In addition, the State Board of Pharmacy would not be responsible for biannually approving the clinics.

Background Information: The DMHA is responsible for conducting an annual site visit to all methadone clinics. Site visits are funded through an annual \$20 out-of-state resident fee collected for methadone services. In FY 2002, the state collected \$71,154 in fees. Of this, the DMHA spent \$22,957 for annual site visits to 12 clinics in FY 2003. [Note: This fiscal note will be updated when additional information becomes available.] The DMHA reports that the average cost per site visit is \$1,291. However, actual cost varies depending on the clinic size. Smaller clinics take approximately one and one-half days per visit, while larger clinics can take up to three days.

Methadone clinics must also obtain biannual approval from the State Board of Pharmacy (Controlled Substances Advisory Committee). The fee for application and renewal is \$100.

Explanation of State Revenues: See *Explanation of State Expenditures*.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources: Legislative Services Agency; Willard Mays, Family and Social Services Administration; Josh Bolin, State Board of Pharmacy, 234-2020; John Viernes, Family and Social Services Administration.

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