

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7464

BILL NUMBER: SB 450

NOTE PREPARED: Mar 15, 2007

BILL AMENDED: Mar 12, 2007

SUBJECT: Opioid Treatment Program Moratorium and Report.

FIRST AUTHOR: Sen. Sipes

FIRST SPONSOR: Rep. Stemler

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill places a moratorium on new opioid treatment programs until December 31, 2008.

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.

(Revised) *Opioid Treatment Programs Moratorium*: As proposed, the DMHA would no longer be allowed to approve any new opioid treatment programs (methadone clinics) until January 1, 2009. 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 prior to January 1, 2009. In addition, the State Board of Pharmacy would not be responsible for biannually approving the clinics.

(Revised) *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 CY 2005, the state collected approximately \$94,750 in out-of-state resident fees. The DMHA currently contracts out the required annual site visits for \$51,000. Currently, there are 12 clinics in Indiana. Thus, the average cost per site visit is approximately \$4,250. 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; Louise Polansky, Family and Social Services Administration.

Fiscal Analyst: Sarah Brooks, 317-232-9559.