HF2140 - 0 - "Opioid Abuse Prevention Pilot Projects "

Chief Author: **Ron Kresha**
Commitee: **Health and Human Services Finance**
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Agency: Health Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X

Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)		Biennium		Biennium	
Dollars in Thousands	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**
General Fund	-	6,695	-	3,347	3,347
Total	**-**	**6,695**	**-**	**3,347**	**3,347**
Biennial Total			**6,695**		**6,694**

Full Time Equivalent Positions (FTE)		Biennium		Biennium	
	FY2017	**FY2018**	**FY2019**	**FY2020**	**FY2021**
General Fund	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature:Paul Moore Date: 3/15/2017 10:59:54 AM
Phone: 651 259-3776 Email:paul.b.moore@state.mn.us

State Cost (Savings) Calculation Details
This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.
Reductions are shown in parentheses.
*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2			Biennium		Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
General Fund		-	6,695	-	3,347	3,347
	Total	**-**	**6,695**	**-**	**3,347**	**3,347**
	Biennial Total			**6,695**		**6,694**
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		-	6,695	-	3,347	3,347
	Total	**-**	**6,695**	**-**	**3,347**	**3,347**
	Biennial Total			**6,695**		**6,694**
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**
	Biennial Total			**-**		**-**

Bill Description

Section 1 of this bill requires the commissioner of health to establish grant funded opioid abuse prevention pilot projects in geographic areas throughout Minnesota. These projects are to use substance care teams and a community-wide coordinated approach to abuse prevention initiatives. Each pilot project must: (1) be designed to reduce emergency room and other healthcare provider visits resulting from opioid use or abuse, and reduce rates of opioid addiction in the community, (2) establish multidisciplinary controlled substance care teams, (3) deliver health care services and care coordination to reduce the inappropriate use of opioids, (4) address any unmet social services needs that create barriers to managing pain effectively and obtaining optimal health outcomes, (6) promote the adoption of best practices related to opioid disposal and reducing opportunities for illegal access to opioids, and (7) engage partners outside the health care system to address root causes of opioid abuse and addiction at the community level.

This section of the bill also requires the commissioner to contract with an accountable community for health that operates an opioid abuse prevention project, to assist the commissioner in administering this section, and to provide technical assistance to the commissioner and to entities selected to operate a pilot project.

This section also requires a contract to evaluate the extent to which the pilot projects were successful in reducing the inappropriate use of opioids. The contractor must report evaluation results to the legislature by December 15, 2019.

Section 2 is a blank appropriation for the FY 2018-19 biennium from the general fund to the commissioner of health.

Assumptions

The legislation appropriates funding for the biennium.The assumptions below reflect the activities and costs necessary to implement the legislation on an annual basis. Clarification on the terms of the appropriation might be needed to meet the legislation's intent.

• In order to ensure geographic coverage of the state, MDH assumes it must administer and manage a total of 12 grant pilot projects.. We assume there will be one pilot project in each of the eight public health regions of Minnesota. We also assume four Tribal pilot projects: one among Minnesota's northwestern American Indian Tribes, one among Minnesota's northeastern American Indian Tribes, one among Minnesota's Dakota American Indian Tribes, and one among Minnesota's urban American Indians.
• MDH will use a data-driven prioritization process to evaluate and select grantees for pilot projects. For example, these data may include: rates of opioid prescriptions filled, youth prescription pain reliever misuse, rates of hospitalizations and

emergency department visits related to opioid dependency.
• MDH will provide grants of $500,000 per year for each pilot project. These funds will make it possible for grantees to hire a nurse, social worker and pharmacist to work together in pilot projects to deliver health care services and care coordination, and to engage partners external to the health care system to address the root causes of opioid abuse and addiction at the community level. This cost estimate for grants is based on a similar activity conducted through Morrison County Community Based Care Coordination (see references/sources). Each of the grant projects are required to accomplish 7 deliverables, ranging from reducing emergency department and health care provider visits to reducing opioid addiction rates in and among the communities they serve. The projects must use multidisciplinary teams to deliver health care services and care coordination. (In the listing of professions to be included, however, chemical dependency counselors are notably absent [lines 1.15 and 1.16]. MDH suggests that this group of professionals be included.) They must address unmet social service needs that serve as barriers to chronic pain management. They must work to change how prescribers and providers dispense prescribe and dispense opioids. They must promote best practices for disposing of opioids no longer needed.
• The legislation requires MDH to contract with an Accountable Community for Health (ACH). In order for the ACH to advise MDH in the consultative manner described in the legislation, MDH estimates the contract will total $225,000 per year [($100,000 x 2 staff) + $10,000 administration + $6,000 travel + $9,000 community meetings = $225,000]. This estimate is based on implementation of similar ACH models across the State.
• MDH assumes the evaluation contract will be $175,000 per year, based on our experience with evaluation contracts for similar projects
• Travel is required for MDH staff to conduct grantee site visits to project sites; and to participate in meetings in Greater Minnesota.

This bill will require the following 3.0 FTEs:

<u>Planner Principal State (1.0 FTE):</u> designs, plans and participates in developing the request for proposals to recruit and identify the pilot projects; oversees the pilot project selection; plans with pilot communities; assists the evaluator in data analysis, interpretation, and reporting; and designs and conducts training for pilot project members in how to accomplish and achieve change at the community level.

<u>Management Analyst 2 (1.0 FTE):</u> assists the grant manager in developing, implementing and tracking grant contracts, performing site visits, conducting financial reconciliation, assisting with data analysis, and ensuring timely invoicing and transfer of funds to grantees.

<u>State Program Admin Senior (1.0 FTE):</u> provides grants management support and technical assistance for 12 pilot projects, and 2 contracts.

Expenditure and/or Revenue Formula

The legislation appropriates funding for the biennium. Per budget rules of the 2017 session, the table reflects costs in the first year of the biennium only with an amount equal to one-half of that added to the base in FY 2020 and FY 2021 and each year thereafter.

FUND BACT	EXPENDITURES (dollars in thousands)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
GF 1000 BACT 1	Salary and Fringe Benefits	-	230	-	115	115
	Other Operating Costs	-	421	-	211	211
	Grants	-	6,000	-	3,000	3,000
	Administrative Services	-	44	-	22	22
	OR Indirect Cost	-	-	-	-	-
	TOTAL EXPENSES	-	6,695	-	3,347	3,347
	TOTAL REVENUES	-	-	-	-	-
	NET COST <SAVINGS>	-	6,695	-	3,347	3,347

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Statewide Maps: Accountable Communities for Health, Minnesota Accountable Health Model State Innovation Model, October 2015. http://www.dhs.state.mn.us/main/groups/sim/documents/pub/dhs16_198321.pdf

Morrison County Community Based Care Coordination Prescription Drug Overuse Accountable Community for Health, 2016 Annual Report. http://www.health.state.mn.us/injury/pub/Unity2016_ACH_AnnualReport.pdf

Minnesota Accountable Community for Health Saves Money Through Local Opioid Prevention Initiative, National Academy for State Health Policy, September, 2016. http://nashp.org/minnesota-accountable-community-for-health-saves-money-through-local-opioid-prevention-initiative/

State Levers to Advance Accountable Communities for Health: Minnesota State Profile, National Academy for State Health Policy, May 2016. http://www.nashp.org/wp-content/uploads/2016/05/MN-State-Profile.pdf

Morrison County Care Teams and Lawmakers Partner to Prevent prescription Drug Abuse, DHS, August 2016. http://www.dhs.state.mn.us/main/groups/sim/documents/pub/dhs-290095.pdf (example of success of Controlled Substance Care Team Morrison County)

Advancing State Innovation Model Goals through Accountable Communities for Health, Center for Health Care Strategies, Inc, October 2016. http://www.chcs.org/media/SIM-ACH-Brief_101316_final.pdf

The Substance Abuse Mental Health Services Administration (SAMHSA)

https://minnesotaruralhealthconference.org/sites/default/files/presentations/2015/5E%20Morrison%20County%20Community%20Based%20Care%20Patrick%20Rioux.pdf

Agency Contact:

Agency Fiscal Note Coordinator Signature: Brian Awsumb **Date:** 3/15/2017 10:45:19 AM

Phone: 651 201-5235 **Email:** brian.awsumb@state.mn.us