

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 100
 (S) Publish Date: 3/21/07
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction): 3/9/2007
 Title SUBSTANCE ABUSE/MENTAL HEALTH PROGRAMS

RDU Behavioral Health
 Component Behavioral Health Administration

Sponsor ELLIS
 Requester SENATE (HES)

Component No. 2665

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	257.8	257.8	257.8	257.8	257.8	257.8
Travel						
Contractual	26.4	26.4	26.4	26.4	26.4	26.4
Supplies	6.6					
Equipment						
Land & Structures						
Grants & Claims	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0
Miscellaneous						
TOTAL OPERATING	1,990.8	1,984.2	1,984.2	1,984.2	1,984.2	1,984.2
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,990.8	1,984.2	1,984.2	1,984.2	1,984.2	1,984.2
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	1,990.8	1,984.2	1,984.2	1,984.2	1,984.2	1,984.2

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	3	3	3	3	3	3
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 100 (section 2, AS 47.37.030 (9)-(11)) allows the Department to a) implement programs that accurately identify and appropriately treat persons with substance abuse or co-occurring disorders; b) establish a secure enhanced detoxification and treatment center for involuntarily committed persons who are at risk to physically harm them self or others; and c) develop and implement a substance abuse treatment system using evidence-based, research-based, consensus-based; or promising practices that promote independence, recovery, employment, education, ongoing community-based treatment, housing, and other aspects of harm reduction.

SB 100 (section 3, AS 47.37.040 (22)-(23)) requires the Department to a) apply, whenever possible, evidence-based, research-based, consensus-based substance abuse and co-occurring substance abuse and mental health

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 Agency Department of Health and Social Services

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 Date/Time 03/13/2007
 Date 03/15/2007

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(hereafter referred to as "co-occurring disorders") treatment practices and remove barriers that prevent the use of those practices; and b) collaboration with cross-jurisdictional, cross-agency, and cross-cultural organizations in implementing programs for co-occurring disorders treatment.

SB 100 (section 4, AS 47.37.045 (f)-(i)) also requires the Department to grant priority to a proposed program that a) provides preference to a pregnant woman for substance abuse treatment by moving her up on a waiting list for the program and by streamlining the admissions process; b) is an alternative to incarceration for nonviolent offenders; c) provides rehabilitation services to prisoners with substance abuse problems; d) provides demonstrated outcomes in harm reduction; e) is based on scientifically sound principles of prevention and treatment; f) provides job training or employment opportunities after completion of treatment; g) provides youth treatment; h) focuses on drug and alcohol abuse prevention; i) addresses alcohol or substance abuse in targeted populations with demonstrated need; j) the Department may not fund a program that has been previously funded but that has not shown satisfactory outcomes; and k) the Department may not deny funding to a program that uses faith-based strategies, so long as the strategies are effective for preventing or treating substance abuse.

SB 100 (section 5, AS 47.37.120 (b)) requires the Department to include a strategy for expanding substance abuse treatment services and reducing waiting lists for eligible participants in a substance abuse prevention or treatment program.

SB 100 (section 6, AS 47.37.130(b)(6)-(7)) also requires the Department to establish standards that are consistent with scientifically sound principles for measuring outcomes. This also applies for facilities and is created in section 7, AS 47.37.140 (g).

Finally, SB 100 (section 8) requires the Department to create a pilot project that would incorporate all of the elements of the bill. The Department would be required to select and fund a non-profit or municipal agency with a regional and accessible support network to operate a secure detoxification and treatment center for at least ten person who are involuntarily committed under AS 47.37.190. The center must provide the right to adequate care and individualized treatment and must provide sufficient staff and resources to ensure the availability of an adequate number of trained crisis responders. The center would be a 24-hour facility. The facility would employ clinical staff who have been trained in and use integrated and comprehensive screening and assessment practices, provide intensive case management services for persons who have been incapacitated by alcohol or drugs, including persons who are diagnosed with co-occurring disorders. The pilot project would terminate no later than July 1, 2012 and an evaluation report with outcome measures, including baseline data would be required. The final report would be due to the legislature by September 30, 2012.

This fiscal note represents the contractual and administrative costs associated with the expanded services required of the Department, specifically in the establishment of a secure enhanced detoxification and treatment facility, (section 8). Section 2 of the bill will not be implemented within this five-year budget cycle. However, inflationary considerations may be assumed for Section 2 as they apply to Section 8, while realizing that fiscal calculations for section 8 are based on a ten bed facility. Furthermore, the other sections of the bill do not have additional fiscal impacts on the Division, as they are already enmeshed in the Division's mission and day-to-day operating budget.

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Assumptions for Pilot Project

The State of Washington recently passed a similar bill through their senate process and began a pilot project (April 2006) in Skagit County, Washington. Pioneer Center North (PCN) with Pioneer Human Services and the North Sound Mental Health Administration (NSMHA) received the contract from the Washington State Department of Substance Abuse Services Administration in the amount of \$2.2 million per year. The Request for Proposals was a limited solicitation such that only counties or existing mental health administrations could apply so that the infrastructure would already be in place and construction costs would be limited.

A review of the seventeen grantee agencies that provide psychiatric emergency, detoxification, and residential substance abuse services to adults in Alaska for FY 07 shows the average grant amount to be \$1.1 million. (See table.)

Akeela Treatment Services, Inc.	\$ 616,611.00	Adult Residential
Alaska Addiction Rehab Service - Nugen's Ranch	\$ 757,629.00	Adult Residential
ARC of Anchorage	\$ 420,702.00	Adult Residential
Bristol Bay Area Health Corporation	\$ 1,100,200.00	Psychiatric ES
Central Peninsula General Hospital	\$ 10,000.00	Adult Residential
Cook Inlet Tribal Council, Inc.	\$ 322,912.00	Adult Residential
Fairbanks Native Association	\$ 1,700,333.00	Detoxification
Gateway Center for Human Services	\$ 1,030,520.00	Psychiatric ES
Maniilaq Association	\$ 1,431,626.00	Psychiatric ES
Norton Sound Health Corp.	\$ 1,240,169.00	Psychiatric ES
Rainforest Recovery Center	\$ 621,100.00	Detoxification
Salvation Army - Clitheroe Center	\$ 3,982,030.00	Detoxification
Seaview Community Services	\$ 340,680.00	Psychiatric ES
Sitka Counseling and Prevention Services	\$ 823,168.00	Psychiatric ES
Southcentral Foundation	\$ 683,741.00	Psychiatric ES
SouthEast Alaska Regional Health Consortium	\$ 578,700.00	Psychiatric ES
Yukon-Kuskokwim Health Corporation	\$ 3,252,962.00	Psychiatric ES
Average	\$ 1,112,534.29	

We assume that we would also issue a limited grant solicitation (Request for Proposals) such that applicants would have to have a demonstrated level of infrastructure and tangible evidence of collaboration with other agencies such as the Alaska Court System and the Department of Corrections as required in section 8 of the bill. Based on the review of the Alaska system and the information gathered from the Washington pilot project, we would offer a grant in the amount of \$1.7 million.

With any grant program or pilot project, there are significant administrative costs involved, including the need for additional staff. We estimate that in order to successfully and effectively

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administer the pilot project as proposed in SB 100, the following positions will be needed:

1.0 FTE Probation Officer II, Range 16: provide training and triage with therapeutic courts to the successful applicant or grantee, screening and referral.

1.0 FTE Health Facility Surveyor II, Range 20: provide project oversight, training and technical assistance to the successful applicant or grantee, monitor for grant regulation and report compliance, monitor performance/outcome/evaluation measures of successful grantee.

1.0 FTE Research Analyst III, Range 18: compile data on overall pilot project including performance measure, outcome indicators/measures, prepare evaluation report.

Total Cost:

Personal Services: \$257.8

The expansion in services as a result of the establishment of the pilot project and creation of an enhanced secure detoxification and treatment center creates the need for a Probation Officer II, a Health Facility Surveyor II, and a Research Analyst III to evaluate the the project. These annual costs are estimated to be:

Probation Officer II (Range 16 at a cost of \$75.7, including benefits, per position).

Health Facility Surveyor II (Range 20 at a cost of \$96.5, including benefits, per position).

Research Analyst III (Range 18 at a cost of \$85.6, including benefits, per position).

Contractual:

Annual costs for office space, phones and supplies are calculated at a cost of \$8,800 per additional staff for a total of \$26,400.

Supplies:

With the additional administrative costs, a one time cost for computers and software will be required with a cost of \$2,200 for each additional staff for a total of \$6,600.

Grant line:

\$1.7 million Grants through competitive RFP