

Colorado Legislative Council Staff Fiscal Note

**STATE  
FISCAL IMPACT**

<b>Drafting Number:</b> LLS 14-0291	<b>Date:</b> February 10, 2014
<b>Prime Sponsor(s):</b> Rep. Ginal; McCann Sen. Newell	<b>Bill Status:</b> House Public Health Care and Human Services
	<b>Fiscal Analyst:</b> Dave DeNovellis (303-866-3140)

**SHORT TITLE:** SUNSET CONTROLLED SUBSTANCES ABUSE ACT

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
<b>State Revenue</b>	<b><u>\$152,160</u></b>	<b><u>\$51,990</u></b>
Cash Funds	\$152,160	\$51,990
<b>State Expenditures</b>	<b><u>\$159,656</u></b>	<b><u>\$51,990</u></b>
Cash Funds	\$153,643	\$45,623
Centrally Appropriated Costs**	\$6,013	\$6,367
<b>FTE Position Change</b>	0.7 FTE	0.7 FTE
<b>Appropriation Required:</b> \$153,643 - Multiple agencies (FY 2014-15)		

\* This summary shows changes from current law under the bill for each fiscal year.

\*\* These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

**Summary of Legislation**

This bill extends the Colorado Licensing of Controlled Substances Act (the act) within the Department of Human Services (DHS) until September 1, 2025, and implements the recommendations of the Department of Regulatory Agencies' (DORA) 2013 sunset review. Changes to the program include:

- directing the Office of Behavioral Health to develop a secure, online substance abuse treatment registry that allows treatment facilities to register patients and verify treatment eligibility;
- removing the \$75.00 licensing fee for addiction programs and allowing DHS to administratively set fees to recover the program's direct and indirect costs;
- granting access to the medical director, or his or her designee, at substance abuse treatment facilities, with patient permission, access to the state prescription drug monitoring program; and
- granting authority to DHS to impose a wider range of disciplinary actions against licensed addiction programs that compound, administer, or dispense controlled substances.

**Fiscal Impact of Programs Set to Expire**

This bill continues a program in the DHS that is set to repeal, effective July 1, 2014. Under current law, state agencies may be appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date.

The state revenue and expenditures impacts of the bill, discussed in the sections below, reflect the program's anticipated fee revenue and base budget request for FY 2014-15, including fees and costs associated with the implementation of this bill. Currently, the program receives \$1,125 per year in licensing fees under the act. The bill eliminates the current \$75 annual licensing fee and allows the Office of Behavioral Health (office) in DHS to administratively set fees to recover the program's direct and indirect costs.

**State Revenue**

This bill increases revenue to the Controlled Substances Program Fund in the DHS to \$152,160 in FY 2014-15 and \$51,990 in FY 2015-16. This estimate includes revenue from fee increases to cover the costs of changes in this bill. Currently, the office licenses 21 addiction programs. Only 15 of these programs pay licensing fees because political subdivisions of the state of Colorado or the United States are exempt from licensing fees.

**Fee impact on individuals and business.** Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. Fee calculations are based on the estimated costs of the bill, including centrally appropriated costs, and the estimated number of licenses provided. The actual fee amounts will be set by the division based on the actual costs of the program. Table 1 below identifies the fee impact of this bill.

<b>Table 1. Fee Impact on Licensed Addiction Programs</b>			
<b>Type of Fee</b>	<b>Proposed Fee</b>	<b>Number Affected</b>	<b>Total Fee Revenue</b>
Licensing Fee FY 2014-15	\$10,144	15	\$152,160
Licensing Fee FY 2015-16	\$3,466	15	\$51,990

**State Expenditures**

This bill continues and makes significant changes to the act, which increases state expenditures in the DHS and DORA by \$166,576 in FY 2014-15 and \$51,990 in FY 2015-16. These costs are discussed below and summarized in Table 2.

<b>Table 2. Expenditures Under HB14-1173</b>		
<b>Cost Components</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Personal Services	\$43,946	\$43,946
FTE	0.7	0.7
Operating Expenses and Capital Outlay Costs	\$640	\$640
Online Substance Abuse Registry	\$100,520	0
Prescription Drug Monitoring Program (DORA)	\$7,500	0
Travel	\$1,037	\$1,037
Centrally Appropriated Costs*	\$6,013	\$6,367
<b>TOTAL</b>	<b>\$159,656</b>	<b>\$51,990</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Personal services.** 0.7 FTE and personal services costs of \$43,946 per year are required to administer the program beginning in FY 2014-15.

**Operating Expenses and Capital Outlay Costs.** Standard costs for telephone and supplies are included.

**Online Substance Abuse Registry.** DHS is required to develop a secure online substance abuse treatment registry, which will result in a one-time cost of \$100,520. This work will be conducted by the Governor's Office of Information Technology (OIT) with reappropriated funds from the DHS.

**Prescription Drug Monitoring Program.** DORA will have a one-time cost of \$7,500 for OIT to make computer system changes to allow addiction programs to access the state Prescription Drug Monitoring Program.

**Travel.** Travel costs of \$1,037 per year are expected for DHS staff to visit the 21 licensed facilities up to two times per year.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 3.

<b>Table 3. Centrally Appropriated Costs Under HB14-1173*</b>		
<b>Cost Components</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,961	\$2,961
Supplemental Employee Retirement Payments	\$3,052	\$3,406
<b>TOTAL</b>	<b>\$6,013</b>	<b>\$6,367</b>

\*More information is available at: <http://colorado.gov/fiscalnotes>

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**State Appropriations**

For FY 2014-15, the Office of Behavioral Health in the Department of Human Services requires an appropriation of \$146,143 from the Controlled Substance Program Fund and an allocation of 0.7 FTE. Of this amount, the Office of Information Technology requires \$100,520 in reappropriated funds.

For FY 2014-15, the Department of Regulatory Agencies requires an appropriation of \$7,500 from Division of Professions and Occupations Cash Fund.

**State and Local Government Contacts**

Human Services  
Office of Information Technology

Regulatory Agencies  
Public Health and Environment