



Legislative Fiscal Bureau

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March 27, 2017

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: January 2017 Special Session Assembly Bill 8: Opioid Treatment Programs

January 2017 Special Session Assembly Bill 8 would direct the Department of Health Services (DHS) to establish two or three additional regional comprehensive opioid treatment programs in the 2017-19 biennium and increase funding for these programs by \$1,000,000 GPR annually, beginning in 2017-18. The bill was introduced on February 17, 2017, and referred to the Committee on Health. On March 15, the bill was recommend for passage on a vote of 11 to 0. On March 21, the bill was referred to the Joint Committee on Finance.

An identical companion bill, January 2017 Special Session Senate Bill 8, was introduced on February 21, 2017, and referred to the Committee on Revenue, Financial Institutions, and Rural Issues, which has not yet taken action on the bill.

BACKGROUND

2013 Wisconsin Act 195 established a grant program in DHS to support regional comprehensive opioid treatment programs in rural and under-served, high-need areas of the state. After identifying these areas, DHS issued a request for proposals in January, 2015, to solicit applications from nonprofit, county, and tribal agencies that would serve these regions. DHS received four applications, and contracted with the following three agencies to provide these services:

- Northeast Wisconsin Opioid Treatment Services, which serves residents in Ashland, Bayfield, Burnett, Douglas, and Washburn counties;
- The HOPE Consortium, serving residents in Forest, Iron, Oneida, Price, and Vilas counties;

- Northeast Wisconsin Opioid Treatment Services, which serves residents in Florence, Marinette, Menominee, and Oconto counties.

Contracted service providers may provide or arrange for a participant to receive medication-assisted treatment (although not methadone treatment), residential services, counseling, or abstinence-based treatment. The current grantees may renew their contracts for four calendar years, upon satisfactory performance and contract compliance. The three providers began operations in October of 2015. In 2016, the three programs served a total of 277 individuals.

In calendar year 2016, DHS allocated a total of \$2,016,000 GPR to the three contracted agencies (\$672,000 each). The medical and treatment services received by participants are generally billed to the party responsible for the person's medical care, including medical assistance, Medicare, or a commercial insurance policy. The contracted agencies use the grant funds for program administration, outreach, training and education, program evaluation, medication diversion prevention efforts, patient service coordination, wrap-around services not covered by insurance or medical assistance, and collection of data opioid-related overdose. For persons who lack insurance coverage and are not eligible for medical assistance or other public coverage, the contracted agencies may use grant funds for direct services.

Act 195 requires DHS to report annually to Joint Committee on Finance on the program's outcomes. In its first report, submitted in to the Committee in April, 2016, the Department described its method of selecting grantees and each grantee's services, program goals, and service areas. The Department intends to provide outcome data in future editions of the report.

SUMMARY OF BILL

The bill would increase funding for the existing opioid treatment grant program by \$1,000,000 GPR annually, beginning in the 2017-18, and require the Department to create two or three additional regional comprehensive opioid treatment programs in the 2017-19 biennium. The bill would also eliminate the requirement that the programs (existing or new) be in rural areas of the state. Instead, programs would need to be in underserved, high-need areas.

FISCAL EFFECT

The bill would increase GPR appropriations by \$1,000,000 annually in the 2017-19 biennium. In its fiscal estimate for the bill, the Department indicated that the amount of funding in the bill would be sufficient for procurement.

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