

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0278-01
Bill No.: SB 166
Subject: AIDS; Drugs and Controlled Substances; Health Care; Health Department;
 Health, Public; Medical Procedures and Personnel
Type: Original
Date: January 10, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(\$205,500)	(\$253,998)	(\$261,618)
Total Estimated Net Effect on General Revenue Fund	(\$205,500)	(\$253,998)	(\$261,618)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Health and Senior Services (DOH)** stated the DOH would establish needle exchange programs in Kansas City, St. Louis and Columbia, Missouri. Columbia is included because of the intravenous drug use (IVDU) “risk factor” ascribed to a significant portion of the HIV/AIDS cases in the region. Each of the cities provide residential treatment programs for IVDUs and would have capabilities for outreach activities to the IVDUs in the community thereby assisting and expanding prevention efforts through needle exchange and treatment programs. The DOH states the fiscal note reflects the cost of establishing three needle exchange programs in each of these cities. The cost of staff and operations (excluding cost of syringes) is estimated at \$53,000 per city.

The DOH assumes that contracts would be entered into with health departments or agencies with an existing infrastructure who currently access the population at risk for one service or another such as local community health centers. A contractor may choose to divide the resource to incorporate needle exchange into a variety of settings which provide access to IVDUs.

ASSUMPTION (continued)

Needles/syringes may be purchased in volume for as little as 15 cents each. It is estimated that the total number of IVDUs in Missouri approaches 12,000. The DOH states there were 1,594 individuals participating in IVDU treatment programs offered through the Department of Mental Health in FY 99. The DOH assumes that 1,600 persons annually would participate in needle exchange programs. The DOH notes that syringes are currently available over the counter in Missouri and that many IVDUs would not identify through an exchange program. Drug usage, i.e., opiates, cocaine, amphetamines and the individual's use rate would determine the number of needles required for exchange. The DOH assumes that on the average each participant would exchange needles at the rate of one needle per day. The additional cost for needles is estimated at $1600 \times 365 \text{ days} = 584,000 \times .15 \text{ per needle} = \$87,600$.

Officials from the **Department of Mental Health (DMH)** state the proposed legislation imposes no new duties on the DMH nor does it threaten existing revenues. Since the program will be established within the Department of Health and that agency would be purchasing the hypodermic needles, there is no fiscal impact on the DMH

Officials from the **Secretary of State (SOS)** assume the Department of Health and Senior Services could promulgate rules to enact this legislation. Based on experience with other divisions, the rules, regulations, and forms issued by the Department of Health and Senior Services could require as many as 10 pages in the *Code of State Regulations* and half again as many pages in the *Missouri Register* because cost statements, fiscal notes and the like are not repeated in Code. SOS states the estimated cost of a page in the Register is \$23 and the estimated cost of a page in the Code is \$27. SOS estimates the cost for the first year to be \$615. SOS states the impact of the legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

Oversight assumes SOS could absorb the cost related to this proposal. If multiple proposals pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE FUND			
<u>Cost - Department of Health and Senior Services</u>			
Contract services	(\$132,500)	(\$163,770)	(\$168,683)
Hypodermic/syringes	(\$73,000)	(\$90,228)	(\$92,935)
Total <u>Cost</u> - Department of Health and Senior Services	<u>(\$205,500)</u>	<u>(\$253,998)</u>	<u>(\$261,618)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$205,500)</u>	<u>(\$253,998)</u>	<u>(\$261,618)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal establishes a Needle Exchange Program within the Department of Health and Senior Services (DOH). The Needle Exchange Program will attempt to reduce HIV transmission associated with drug use by providing sterile needles and will encourage participants to seek substance abuse counseling. The DOH may legally possess and distribute hypodermic needles or syringes as part of the Program. All records associated with the Program will be closed.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 0278-01
Bill No. SB 166
Page 5 of 5
January 10, 2003

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services
Department of Mental Health
Secretary of State



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Director
January 10, 2003