

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

HB 1201 - SB 1284

March 24, 2011

SUMMARY OF BILL: Modifies the Tennessee Health Services and Planning Act by replacing non-residential methadone treatment facility with non-residential substitution-based treatment centers for opiate addiction, including but not limited to, stand alone clinics offering Suboxone, Subutex, and methadone as treatments as the type of drug treatment facility subject to the Act.

ESTIMATED FISCAL IMPACT:

On March 12, 2011, a fiscal note was issued estimating a fiscal impact as follows:

Increase State Revenue – \$6,000
Increase State Expenditures – \$58,900

Based upon additional information provided by the Department of Mental Health, the estimated impact is:

(CORRECTED)

Increase State Revenue – \$6,000

Assumptions:

- The proposed legislation would expand the scope of the Act to apply the same Certificate of Need (CON) process for clinics providing opiate addiction treatment using exclusively methadone to those using Suboxone and/or Subutex (generic chemical name: buprenorphine).
- Under current law, physicians may get the Drug Enforcement Administration's (DEA) approval to provide opiate substitution-base treatment using buprenorphine for up to 30 patients and up to 100 patients with an exception. There are 359 physicians in Tennessee with DEA approval.
- Physicians, who provide opiate treatment within the DEA 30/100 patient limit for buprenorphine, will be operating within their medical practice under the Board of Medical Examiners regulatory authority and will not be required to obtain a CON.
- Physicians, who exceed the 30/100 patient limit, will be required to open a free-standing facility, separate from their regular medical practice and would have to apply for a CON.

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- Current free-standing facilities and new facilities will have to be licensed by the Department of Mental Health (DMH) and comply with the policies and monitoring requirements of the State Opioid Treatment Authority (SOTA).
- DMH estimates ten new facilities dispensing buprenorphine as part of opiate addiction treatment would obtain CONs and get licensed by DMH.
- According to the Health Services and Development Agency, any increased expenditures incurred to accommodate the increased number of CON applications will be offset by application fees.
- The new facilities will pay the current \$600 licensing fee to DMH, resulting in a total increase in state revenue of \$6,000 (10 facilities x \$600).
- Based on the current active caseload of 6,600 for 12 licensed methadone clinics, each newly licensed facility will maintain an active clientele of 550 clients for a total caseload of 5,500.
- According to DMH, the increase in licensed facilities and monitoring compliance with policies and requirements of SOTA can be handled by existing staff. Any increase in expenditures can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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