



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0311 - Establish a chemical dependency treatment voucher program (Yakawich, Michael )

**Status:** As Introduced

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue HB 311	\$500,000	\$500,000	\$500,000	\$500,000
State Special Revenue HEART Fund	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
Other	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue HB 311	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
Federal Special Revenue SABG	\$500,000	\$500,000	\$500,000	\$500,000
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 311 creates a voucher program for chemical dependency treatment services under the Healing and Ending Addiction through Recovery and Treatment (HEART) state special account. An approved provider of the program may submit vouchers for reimbursement of eligible chemical dependency treatment and related services to the Department of Public Health and Human Services (DPHHS/department).

### FISCAL ANALYSIS

**Assumptions:**

- HB 311 has an effective date of July 1, 2023. Administrative rule development, public comment, and program startup activities are anticipated to take up to 180 days. For purposes of this fiscal note, it is anticipated that the proposal will be implemented January 1, 2024.

2. The current Substance Abuse Block Grant (SABG) is used to fund state approved substance use treatment services for non-Medicaid covered services and individuals between 139% and 200% of the federal poverty level (FPL). SABG client eligibility covers the same eligibility group as identified in the HB 311. In addition, the list of treatment services provided under SABG are similar to those listed in HB 311 for voucher chemical dependency services, with the exception of room and board, transportation, and support services, such as childcare or other family support services under New Section 1 subsection (3)(vii).
3. DPHHS would utilize the new chemical dependency voucher program and spending HEART funds until the appropriation in HB 311 is spent, instead of current SABG services and block grant funding which is considered payer of last resort.
4. The department would administer the eligibility verification, tracking voucher activity, and payment remittance activity using its existing Substance Abuse Management System (SAMS). SAMS currently performs similar functions for the SABG, therefore system costs are assumed to be minimal and absorbed by the department.
5. In FY 2022 SABG provided treatment services to 309 non-Medicaid clients at an average cost of \$3,630 per client per year. It is assumed that clients served under the provisions of HB 311 with vouchers would have similar expenses to non-Medicaid SABG clients but with additional cost of room and board, transportation, and support services, such as childcare or other family support services under New Section 1 subsection (3)(vii). For purposes of this analysis, room and board, transportation, and family support services would be limited to \$1,000 per client per year.
6. The HB 311 biennial appropriation is \$1 million. Split evenly per year, equates to \$500,000 per year.
7. The appropriation in HB 311 would support 108 ( $\$500,000 \text{ appropriation} \div \$4,630$ ) clients each year through vouchers and chemical dependency services.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Benefits through HB 311 Vouchers	\$500,000	\$500,000	\$500,000	\$500,000
Benefits through Existing HEART Funds	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
<b>TOTAL Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue HB 311	\$500,000	\$500,000	\$500,000	\$500,000
State Special Revenue HEART Fund	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
<b>TOTAL Funding of Exp.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Revenues:</u></b>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue HB 311	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
Federal Special Revenue SABG	\$500,000	\$500,000	\$500,000	\$500,000
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

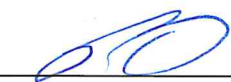
**Technical Notes:**

1. SABG funding is a federal block grant. The new chemical dependency voucher under HB 311 is funded with HEART state special revenue. It is assumed that since SABG services currently cover the same substance use treatment clients and similar activities outlined under the proposed voucher system, that HB 311 would effectively shift service expenditures and funding from SABG federal block grant to HEART state special revenue (SSR).
2. HB 311 amends 16-12-122, MCA, to reallocate funds from the HEART account. HEART funds are intended, among other things, under 16-12-122, (3)(d) MCA, to leverage additional federal funds when available for the healthy Montana kids plan and Medicaid. The funds used for this voucher program cannot be used to leverage federal funds.

**NOT SIGNED BY SPONSOR**

\_\_\_\_\_  
*Sponsor's Initials*

\_\_\_\_\_  
*Date*



\_\_\_\_\_  
*Budget Director's Initials*



\_\_\_\_\_  
*Date*