

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2873-01  
Bill No.: SB 764  
Subject: Establishes a Needle Exchange Program within the Department of Health.  
Type: Original  
Date: December 28, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue Fund	(\$205,418)	(\$253,998)	(\$261,618)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$205,418)</b>	<b>(\$253,998)</b>	<b>(\$261,618)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 4 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Social Services (DOS)** stated all responsibility for the needle exchange program is given to the Department of Health. Therefore, there will be no fiscal impact to the DOS.

Officials from the **Department of Mental Health (DMH)** state the proposed legislation imposes no new duties on the DMH. 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 **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. 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. There were 1,594 individuals participating in IVDU treatment programs offered through the Department of Mental Health in FY 99. It is assumed that 1,600 persons annually would participate in needle exchange programs. It is noted 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. It is assumed 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 **Office of the Secretary of State (SOS)** state this bill creates a Needle Exchange Program. The Department of Health may promulgate rules and administer the distribution and/or exchange of needles or syringes. Based on experience with other divisions,

the rules, regulations and forms issued by the Department could require as many as 10 pages in the *Code of State Regulations*. ASSUMPTION (continued)

For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$615 [(10 pp x \$27) + (15 pp x \$23)].

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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**GENERAL REVENUE FUND**

<u>Cost - Department of Health</u>			
Contract services	(\$132,447)	(\$163,770)	(\$168,683)
Hypodermic/syringes	<u>(\$72,971)</u>	<u>(\$90,228)</u>	<u>(\$92,935)</u>
Total <u>Cost - Department of Health</u>	<u>(\$205,418)</u>	<u>(\$253,998)</u>	<u>(\$261,618)</u>

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$205,418)</u></b>	<b><u>(\$253,998)</u></b>	<b><u>(\$261,618)</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses would expect to be fiscally impacted to the extent they would incur increased revenues and expenses by participating in the program outlined in this proposal.

## DESCRIPTION

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

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

## SOURCES OF INFORMATION

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



Jeanne Jarrett, CPA  
Director  
December 28, 2001