

HF3291 - 1E - "Statewide Tobacco Cessation Services"

Chief Author: **Dario Anselmo**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/11/2018**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	(291)	(1,550)	(2,955)	
Other Misc. Special Revenue	-	-	291	1,550	2,955	
Total	-	-	-	-	-	-
Biennial Total						

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	-	-
Other Misc. Special Revenue	-	-	2	2	3
Total	-	-	2	2	3

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
General Fund		-	-	(291)	(1,550)	(2,955)
Other Misc. Special Revenue		-	-	291	1,550	2,955
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		-	-	(291)	(1,550)	(2,955)
Other Misc. Special Revenue		-	-	291	1,550	2,955
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
Other Misc. Special Revenue		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

The bill requires the commissioner of health to administer or contract for statewide tobacco cessation services to assist Minnesotans who are seeking counseling or services to help them quit using tobacco products. It also funds statewide public awareness activities to inform the public on the availability of cessation services and encourage quit attempts. It also requires coordination with any existing employer and health plan company efforts. The bill provides a blank appropriation from the tobacco settlement recovery account into a new tobacco cessation account under section 144.397, in the special revenue fund to the commissioner of health for these activities. The funding is appropriated annually.

Assumptions

ClearWay Minnesota, funded by the tobacco settlement, assumed responsibility for statewide cessation services (QUITPLAN Services) and has been operating these services since 2001. However, ClearWay Minnesota is required by the tobacco settlement to sunset by 2023 and has announced they will end QUITPLAN Services in March of 2020.

The MDH Tobacco Prevention and Control (TPC) in the Department of Health’s Office of Statewide Health Improvement Initiatives would assume responsibility for the administration of statewide tobacco cessation services; cessation promotion activities and coordination with employer plans through the Minnesota Quitline Network.

In FY 2019 and FY 2020, MDH will need two full-time FTEs to plan for and prepare administratively for the program and coordinate community input, convene expert panels and write the request for proposals (RFP) for the required contracts to provide statewide cessation and quitline services to Minnesotans. By FY 2021 MDH will require a total of three FTEs to lead and administer the fully operational program. Staff include:

- 1.0 FTE Planning Director State to lead and assume responsibility for MDH statewide cessation efforts which will include a statewide quitline with a suite of services for smokers and a corresponding statewide awareness activities.
- 1.0 FTE Planner Principal State Planner to manage the day-to-day operations and contract for the quitline with counseling services, distribution of free Nicotine Replacement therapies and web-based texting or email services.

- 1.0 FTE Planner Principal State to manage statewide cessation promotion and awareness activities and outreach to smokers and populations most disparately impacted by the harms of tobacco.

Materials, communications, supplies and computing would cost \$7,500 for 2.0 FTE in FY 2019 and FY 2020, and \$11,250 per year for 3.0 FTE in FY 2021.

Four contracts will be necessary to administer the program. MDH will prepare administratively through competitive funding announcements and contract selections in FY 2019. MDH will begin work under the contracts in January 2020 and launch the MDH cessation program in March of 2020 (FY 2020) when ClearWay ends their program. The contract amounts in FY 2020 reflect the transition year from ClearWay to MDH. By FY2021 the transition is complete and the MDH cessation program will be fully operational; the contract amounts are for a full year of operating the program and should remain constant moving forward. The Tobacco Quitline Network will coordinate and triage cessation referrals from health care clinics to the MDH quitline.

Contract Costs by Fiscal Year

CONTRACT DESCRIPTION	FY 2020 AMOUNT	FY 2021 AMOUNT
Quitline operations	600,000	1,300,000
Statewide quitline cessation promotion	500,000	1,000,000
Evaluation	60,000	130,000
Tobacco Quitline Network operations	75,000	75,000
TOTAL	1,235,000	2,505,000

The contract amounts are based on average basic costs for operating a statewide quitline system with standard counseling services, nicotine replacement therapy, culturally specific outreach to disparately impacted populations and cessation promotional activities. To develop these estimates, we consulted with ClearWay Minnesota and other state health departments operating similar quitline programs as described in this legislation.

Expenditure and/or Revenue Formula

FISCAL TRACKING (dollars in thousands)						
FUND	BACT	DESCRIPTION	FY 2018	FY 2019	FY 2020	FY 2021
2001	01	Health Improvement	-	291	1,550	2,955

EXPENDITURE (dollars in thousands)				
DESCRIPTION	FY 2018	FY 2019	FY 2020	FY 2021
Salary and Fringe	-	229	229	335
Contracts	-	-	1,235	2,505
Grants & Aid	-	-	-	-
Other Operating	-	8	8	11
Administrative Indirect	-	55	78	103
TOTAL EXPENSES	-	291	1,550	2,955

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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