

Senate Finance Committee

Deb Martone 271-4980

SB 196-FN-A, relative to liquor revenues deposited into the alcohol abuse prevention and treatment fund

Hearing Date: February 7, 2017

Time Opened: 1:00 p.m.

Time Closed: 2:37 p.m.

Members of the Committee Present: Senators Daniels, Reagan, Giuda, Morse, D'Allesandro and Feltes

Bill Analysis: This bill increases the amount of liquor revenues to be deposited into the alcohol abuse prevention and treatment fund.

Sponsors:

Sen. Kahn

Sen. Feltes

Sen. Fuller Clark

Rep. Lisle

Rep. Shepardson

Rep. Horrigan

Rep. Read

Rep. Abbott

Who supports the bill: Senators Kahn, Lasky and Fuller Clark; Representatives Altschiller, Horrigan, Cushing, Bartlett, Martin and Newman; Judge Ned Gordon; Joe Harding; Timothy Rourke; Dr. Stephanie Wolf-Rosenblum; Eddie Edwards; Ken Norton; Kate Frey; Patricia Dion; Stephanie Dupont; Lucas Weecler; Julie Weisberg; Nicholas Villacci; Christian Medina; Tarina Nolan; Darcy Foster; Susan Duncan; Sheila Vargas; Zach Sheehan; Germano Martins; Edward Mottau; Albert Escarra; Andrew DeCoursey; Mike Apfelberg; John Burns; Jayasri Sarkar; Seth Bir; Cheryle Pacapelli; Benjamin Bryant; Adam Holman; Nicholas Kierstead; Jeff Prescott, Jr.; Thomas Scanlan; Michelle Brown; Ryan Sherwood; Elisabeth Rayner; Amber Nash; Connor O'Keefe; Tyler Daclercq; Mackenzie Seely; Michael Blythe; Ryan McDermott; Keith Yergeau; Kris Estey; Cody Gojnos; Nancy Williams; Aly McKnight; Joshua Kent; Elizabeth Rapp; Eric Zulaski; Amy Hein; Erin Fournier; Christy Brenhan; Margaret Soles; Peter Marston; Donna Marston; Abby Rogers;

Summary of testimony presented in support:

Senator Kahn, Prime Sponsor:

- Two Governors have called substance abuse the biggest issue facing this state. In his inaugural address, Governor Sununu stated we need to address the substance misuse epidemic by providing more prevention in schools and increasing the number of recovery programs.
- This bill provides a path to a solution to the real problems facing this state.

- Judge Ned Gordon was part of the original legislation in 2000, in designating that a portion of the alcohol sales tax and their gross receipts would bolster the state's ability to prevent, reduce and treat substance misuse.
- The fund and its 5 percent was funded only once by the Legislature. Since that time the funding has been reduced. It currently is set at 1.7 percent.
- This body has the opportunity to do something unique. Restore those dollars and at least move in the direction that begins to leverage the investments we're making in the state. Sufficient funding would help leverage the model programs that we've got.
- Senator Kahn gave the example of the Cheshire County Addictive Assistance Recovery Initiative, which is a "cherry" program. It is led by Southwest Community Services, which pulls together all the emergency responders in Cheshire County, i.e., fire protection, police and the medical center. It assigns a recovery coach to every 911 call for rescue. Within one hour of the response time to that emergency there is a recovery coach at the emergency room to make sure the user has a path and has advice as to how to treat their addiction and substance use.
- The steward of this fund is the Governor's Commission on Alcohol & Drug Abuse Prevention, Treatment and Recovery.
- Senator Daniels asked how long it had been since the 5 percent fund was funded. Senator Kahn stated it was 2000. Senator Daniels indicated last year in the 1.7 percent that was appropriated to the fund, \$2.2 million was left unspent on programs. Senator Kahn was unsure why that happened.
- Senator Giuda asked if the cherry program Senator Kahn spoke of had success rates, and if so, what were the metrics? If we throw money at a problem, we're not necessarily going to solve the problem. Senator Kahn explained it is a 3-year program, with its inception of May 2016. Senator Kahn agreed to check with the recovery initiative and report back to committee members. He did relate there are approximately 20 deaths in Cheshire County on an annual basis. This program has made a difference in the lives of those in recovery. It is effective with 100 percent coverage.
- Senator Giuda indicated we're looking to take revenue from liquor profits. How have liquor revenues performed since the inception of the fund in 2000? Senator Kahn thought the revenues had increased in the last couple of years by 17 percent, up to \$684 million per year. The 5 percent would equate to approximately \$18 million per year.

Representative Debra Altschiller:

- Year after year New Hampshire has not met its original promise to its citizens by fully funding the Alcohol Fund at the intended 5 percent.
- The consequences of this short sidedness are all around us. We have abdicated our responsibility to promote and execute robust and comprehensive addiction prevention education programs, and we have a state gripped by the horrors of drug abuse, alcohol abuse and addiction.
- Families in crisis have few options to get help for their sick, loved ones. The Department of Children, Youth and Families is overwhelmed with parents struggling with addiction and children living in unstable, unsafe and unhealthy

environments.

- Prevention works and we must invest in it and implement it now. It is never too early and never too late to prevent substance misuse and related problems.
- New Hampshire's children are growing up in a state that has one of the highest rates of addiction in the nation.
- New Hampshire is a state that has pushed its responsibilities of prevention education and treatment for the suffering off to the side.
- The future prosperity of New Hampshire depends on our ability to steward the next generation who will live, work and lead our state. Let's invest in them and ourselves by making prevention education and addiction recovery services a priority.
- Senator Giuda inquired if monies in the Alcohol Abuse Prevention and Treatment Fund would cover drug abuse. Rep. Altschiller stated the fund covers addiction services across the board.

Judge Ned Gordon:

- In 1999, Judge Gordon sponsored SB 153, which created the Alcohol Fund. At the time, the Liquor Commission was not providing any services for the consequences of the sale of alcohol.
- New Hampshire has one of the highest per capita consumption of alcohol of any state in the country.
- The consequences of using alcohol show up not only with the individual, but they show up in the workplace and in marital matters.
- At the time the bill went into effect, the state adopted the policy that if we're going to market alcohol, we're going to accept the consequences.
- The monies would go into the fund gradually so that when Liquor Commission revenues increased, the Alcohol Fund increased up to 5 percent.
- As years went by, unfortunately, the Legislature decided not to fully fund the fund.
- We have a substance abuse problem in this state that needs to be addressed. In the last 2 years people have started to realize we have such a crisis. The Alcohol Fund now provides not only for alcohol abuse services, but for all addictions.
- Alcohol is probably a more serious problem in this state than any other drug.
- Judge Gordon commended former Senator Jeanie Forrester and Senator Morse for their efforts in developing another number for the percentage that will work with our budget priorities, 1.7 percent. But the need is greater than that.
- You cannot just be committed to a treatment program. You have to be committed to recovery. New Hampshire has recognized that. Within the last 2 years we have developed recovery programs in this state that need to be supported.
- We're not going to solve our abuse problem by merely funding treatment. We need to also fund prevention and recovery. We need the Alcohol Fund to do that.
- Unless you provide the funding, you won't have the capacity. You need the funding to develop the capacity to provide recovery and prevention services. We don't put enough money into prevention.
- Senator Morse wondered if we set the percentage at 5 percent, are we setting ourselves up for reducing it to zero once again? Might we be going too far? Judge Gordon indicated he relies on Senator Morse to make that decision based on what

is in the best interest.

- Senator D'Allesandro wondered if we are masking our alcohol problem today with the concentration on the drug situation. We haven't really focused on the fact that alcohol is a problem that has been pervasive in this state for many, many, many years. Right now, Judge Gordon surmised the focus is not on alcohol in this state. The focus is on other substance abuse.
- We need to focus on recovery programs as a state.

Joe Harding, Director, Bureau of Drug and Alcohol Services, Department of Health and Human Services; Executive Director, Governor's Commission on Alcohol & Drug Abuse Prevention, Treatment & Recovery:

- Alcohol and drug use disorders are brain diseases, and those working in recovery services address them in the same way, with some exceptions.
- More than 50 percent of our admissions for treatment in state run programs today are for opioids.
- The state's comprehensive approach includes emphasis on public awareness of the risks associated with misuse, prescribing practices, access to services, and capacity for services. In addition, there are targeted prevention services for individuals known to be at a particular risk, as well as early intervention and crisis intervention services.
- There are 15 contracted providers across the state offering treatment services for substance use disorders.
- The Department has experienced challenges for years in getting any traction for establishing critical peer recovery support services. Funding is now going to 10 recovery community organizations across the state.
- The focus is on resources to pay for the services, actual community programs across the state to provide those services, and the personnel working in those programs having the requisite skills.
- Four million dollars has been allotted for capacity for treatment services. Much funding is also slotted for the workforce in those treatment services. These are some of the biggest challenges the Department faces today.

Timothy Rourke, Director, Substance Use Disorders Grant Making, New Hampshire Charitable Foundation; Chair, Governor's Commission on Alcohol & Drug Abuse Prevention, Treatment & Recovery:

- The Commission advises the Governor and Legislature on policy matters that impact alcohol and other drug problems in the state; administers the Alcohol Abuse Prevention and Treatment Fund; develops and implements a state plan to address alcohol and other drug issues in the state.
- The Commission has 8 task forces with 150-200 individuals.
- Re the \$2.2 million unspent funds from the state's last fiscal year: the Commission is meeting on February 24, 2017, at which time DHHS will be updating the status of all Alcohol Fund contracting. The Commission will look at ongoing priority work where rapid deployment of those funds could occur.
- The Commission and its task forces have been working for many months to identify funding priorities for the Alcohol Fund should additional funds become available.
- There is great flexibility with how the Alcohol Fund can be used. That is

particularly important.

- The Commission is looking at expanded prevention services and recovery housing.
- The Commission has reporting requirements to create a Dashboard to share with policymakers its progress on this epidemic.
- Serenity Place, an addiction treatment center in Manchester, is one of the contractors the Commission works with. It has become a critical partner with the "Safe Stations" initiative, an innovative, successful program. They provide rapid, clinical assessment needed when an individual goes to a Manchester fire station seeking assistance.
- Senator D'Allesandro inquired about "Sober Houses" that are cropping up. In Manchester they aren't really sober houses. How do we control them? It's a significant problem, sometimes causing death. Mr. Rourke explained the state lacks a regulatory infrastructure for safe and sober housing, unlike other states. The Commission's Recovery Task Force is looking at national standards and developing recommendations the state could implement to avoid those challenges.
- Senator Daniels asked if the Commission partners with any faith-based organizations. Mr. Rourke stated they do at the local level, through the regional public health networks.

Dr. Stephanie Wolf-Rosenblum:

- Dr. Wolf-Rosenblum has practiced in Southern New Hampshire for the last 30 years.
- People are afraid to acknowledge the problem alcohol has brought into their lives. They are now being encouraged to speak about their challenges. And, there are promising and effective treatments.
- We have not looked specifically at the underpinnings of why people drink.
- Due to the 1115 Waiver, this state has a unique and time-limited opportunity to address some of our challenges.
- Physicians are now coordinating care with other regions throughout the state regarding integrated care. It does include the faith-based communities.
- There are many innovative programs, but they need stable funding. And we need stable funding to attract and retain workforce to staff these innovative programs.

Germano Martins, Hooksett:

- Mr. Martins is in long-term recovery. He has refrained from alcohol for 31 years.
- Alcohol is a drug that is widely accepted and promoted. But it pales in comparison to opioid addiction.
- This bill would be a great investment for the state to make.
- Recovery works.
- Senator Giuda wondered what motivated Mr. Martins to become sober. Mr. Martins explained he came to the conclusion if he continued to drink, he would die. Many of his friends did die. He chose recovery.

Mike Apfelberg, President, United Way of Greater Nashua:

- Mr. Apfelberg is involved with Nashua Mayor Donchess' Opioid Task Force and the Nashua Prevention Coalition. He is "up-to-his-ears" in the opioid crisis. The

emotions he has encountered through his involvement include fear, anger, sadness, desperation and hopelessness. They have cut across age, gender, class and race.

- This is a community crisis and the Legislature has the opportunity to make a difference.
- The Alcohol Fund could help pay for resources to help provide long-term care in the community, as well as effective peer supports, recovery coaches and support Nashua's new Safe Station program.
- This bill is necessary as an investment in our state.
- There is a tangible and real, long-term return on investment for prevention, treatment and recovery.

John Burns, Goodwin Community Health, Somersworth:

- Mr. Burns is the Director for SOS Recovery Community organization. They have 3 recovery centers in Rochester, Durham and Dover.
- He founded Families Hoping and Coping, a family support group with three chapters in Portsmouth, Dover and Rochester.
- They utilize telephone recovery supports, by checking in with residents weekly who are enrolled in the recovery centers' outpatient treatment. They are able to do relapse prevention for those challenged on a day-to-day basis. There's a really strong connection with just a weekly phone call.
- They are starting to make progress, but are nowhere near where they need to be. They have 4 staff members for 3 recovery centers being open 30-50 hours per week. They have a dedicated recovery community.
- We live in a state that promotes alcohol "like no tomorrow". We have record setting sales and revenue on a year-to-year basis. However, we are not preventing the results of that.
- Five percent is a pretty small percentage of some very large revenue.
- Senator D'Allesandro shared there are approximately \$20 million in contracts with services that are unfulfilled. Why is that happening? Mr. Burns stated he's having no problem spending the money from grants he's involved with. They could use more money and have no problem spending it on beneficial services.
- Senator Giuda inquired if there were any problems with the grant process itself. Mr. Burns agreed there are some challenges. Improvements could be made in how services are outlined in the grants. We don't have the infrastructure in place that we really need, due to a lack of funding. It will take time. Part of the problem is not funding the Alcohol Fund.

Ryan Sherwood, Farnum Center North:

- Mr. Sherwood pointed out his program's numerous successes. He suffers from alcoholism, and is in early recovery.
- Many of these places lack the room and board they need. There is a long wait for sober living houses.

Connor O'Keefe, Farnum Center:

- Mr. O'Keefe is a business owner in New Hampshire and an alcohol and drug addict. He's been to multiple treatment centers.
- The Farnum Center is revolutionary in addiction treatment. The staff is remarkable. The program ensures individuals go to a safe place and not the

streets.

Tyler Daclercq, Farnum Center:

- Mr. Daclercq is a 20 year-old struggling with addiction. He has lost friends to the disease.
- There is no after care in New Hampshire. He is traveling to another state for his after care.

Kate Frye, New Futures:

- Substance misuse costs the state \$2.38 billion currently.

Jayasri Sarkar:

- Ms. Sarkar's family was forced to go to Massachusetts for help with her son's opiate addiction. No services were available in New Hampshire. He detoxed and then went into a recovery center.
- The detox piece is very challenging in this state. Only medication and trained personnel can help with this process.
- The relapse rate with opioids is incredibly high.
- How are people recovering without the family structure in place?
- We also have to fight the stigmatism that accompanies addiction.
- How do you build an infrastructure in the midst of a crisis?

Future Action: Pending

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Date Hearing Report completed: February 11, 2017