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# FISCAL IMPACT REPORT

SPONSOR Ortiz y Pino LAST UPDATED 01/23/14

SHORT TITLE Early Childhood Mental Health Treatment SB 66/aSPAC

ANALYST Klundt

### **APPROPRIATION** (dollars in thousands)

Appropriation		Recurring	Fund
FY14	FY15	or Nonrecurring	Affected
	\$2,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

#### SOURCES OF INFORMATION

LFC Files

Responses Received From
Children, Youth and Families Department (CYFD)
Department of Health (DOH)
Office of Superintendent of Insurance (OSI)
Human Services Department (HSD)

#### **SUMMARY**

#### Synopsis SPAC Amendment

The Senate Public Affairs Committee amendment to Senate Bill 66 inserts the word "nongovernmental" on page 1, line 14 after "any".

#### Synopsis of Bill

Senate Bill 66 amends the service definition for three types of Infant and Early Childhood Mental Health Services approved by the Children Youth and Families Department (CYFD), Department of Human Services (HSD) and the Interagency Behavioral Health Collaborative and appropriates \$2 million from the general fund to the CYFD for funding value-added services.

This bill prohibits certain requirements for infant and early childhood mental health treatment services providers. The bill prohibits CYFD from requiring a provider of infant or early childhood mental health treatment services, to hold an endorsement from, or have membership in, any organization in order for that provider to be eligible for reimbursement for infant or early mental health treatment services by CYFD; and amends the service definitions for three types of infant/early childhood mental health services.

### FISCAL IMPLICATIONS

This bill appropriates \$2.0 million recurring funding from the general fund to CYFD for childhood behavioral health services in FY15. Any unexpended or unencumbered balance remaining at the end of FY15 shall revert. The CYFD reports that any administrative costs for establishing research-based guidelines and regulations to ensure the use of these funds are in compliance with the Accountability in Government Act's performance and accountability measures, and legal review to ensure these guidelines and regulations do not contravene this bill, would be absorbed by existing resources.

### **SIGNIFICANT ISSUES**

CYFD reports that the agency currently requires that providers of infant or early childhood mental health services hold a nationally recognized endorsement from the New Mexico Association for Infant Mental Health, an endorsement recognized in twenty states including New Mexico. This additional requirement established in service definition by CYFD and the Interagency Behavioral Health Purchasing Collaborative, reflects the specialized training which qualifies an individual to provide quality services to the targeted age group. The agency reports that these research-based service definitions, which stipulate the purpose for and qualifications to provide these services, were established by a task force of community providers and experts in the infant and early childhood mental health field. Currently, CYFD reports that the agency also subsidizes the training for the specialized endorsement, reducing the cost to the individual worker.

Infant mental health is a field that encompasses multiple disciplines and levels, from prevention and promotion through intervention to clinical treatment, and there is currently no other national system which provides guidance in or criteria for what education or background goes into making a qualified individual in this field; and there is little or no coursework presently dedicated to this field. The service definitions being affected by this bill were grounded in attachment theory and the science of brain development, and are relationship-based, developmentally appropriate, and trauma-informed. The clinical treatments provided in accordance with these definitions are an array of therapeutic and developmental services designed to reduce both the acute and chronic behavioral, social, and emotional disorders and disruptions in the relationship between infant/child and parent/primary caregiver that are some of the most significant results of toxic stress and major trauma.

CYFD states that to ensure that the behavioral and mental health services are provided by professionals who have demonstrated a level of competency that would reasonably be expected of those dealing with extraordinary complex issues, the endorsement from the New Mexico Association for Infant Mental Health ensures, that the infant/early childhood mental health professional has the training, skills, and competencies to work effectively with a vulnerable population.

The CYFD states that it would appear that the elimination of this criterion, combined with the appropriation, is intended to expand the availability of services that are not otherwise included in managed care Medicaid benefit packages or are not Medicaid-funded services, benefits, or entitlements under the Public Assistance Act, but that agency reports it is unclear what effect the elimination of the criterion would have on ensuring that the value-added services, as defined in this bill, would have on the quality of those services.

The Department of Health (DOH) provided the following information regarding this bill:

Infant-early childhood mental health (I-ECMH), sometimes referred to as social and emotional development, is the developing capacity of the child from birth to 5 years of age to form close and secure adult and peer relationships; experience, manage, and express a full range of emotions; and explore the environment and learn — all in the context of family, community, and culture (ZERO TO THREE National Center for Infants Toddlers and Families <a href="http://www.zerotothree.org/">http://www.zerotothree.org/</a>).

Included infant-early childhood mental health is "dyadic therapy" which can be provided to infants and young children with symptoms of emotional disorders. Dyadic therapy includes the child and the parent and focuses on rebuilding a healthy and secure relationship between them. Research suggests that these types of therapy are useful in helping the parent and child to regain trust and to work through trauma and fears. And as an evidence-based treatment, parent—child psychotherapy, a form of dyadic therapy, presents an opportunity for encouraging Medicaid reimbursement (ZERO TO THREE - Making It Happen - Overcoming Barriers to Providing Infant-Early Childhood Mental Health <a href="http://www.zerotothree.org/public-policy/federal-policy/early-child-mental-health-final-singles.pdf">http://www.zerotothree.org/public-policy/federal-policy/early-child-mental-health-final-singles.pdf</a>).

The proposed new section of the Children's Code may pose some potential caveats for our state's children in need of services. Specifically, it is important for New Mexico to have defined competencies for therapists working with our youngest children and their families; family therapists, counselors, psychologists and social workers often only have training and/or experience in working with older children. According to ZERO TO THREE: "most states do not adequately credential I-ECMH professionals - only 17 states have a credentialing mechanism or competency system for their I-ECMH providers". New Mexico is one of 15 states that has a licensing agreement with the Michigan Association for Infant Mental Health (MI-AIMH) to use the MI-AIMH Competency Guidelines and the MI-AIMH Endorsement® (<a href="http://www.mi-aimh.org/endorsement">http://www.mi-aimh.org/endorsement</a>) to develop and recognize competency-focused, relationship based practice promoting infant mental health.

According to HSD, in FY13 infant mental health services were reimbursed by OptumHealth through the Statewide Entity (SE) contract with the Interagency Behavioral Health Purchasing Collaborative ("Collaborative") as a Medicaid value-added service. Value-added services are additional services, not covered by Medicaid, that the Medicaid managed care organization offers at no cost to the state. That year, 373 children received infant mental health as a value-added service in the amount of \$880 thousand. In FY14, CYFD began funding infant mental health services through Optum Health SE contract. In January 2014, the Medicaid portion of the OptumHealth SE contract was transferred to Centennial Care. Infant mental health treatment is now funded by CYFD in the non-Medicaid contract and is also covered as a value-added service by two of the Centennial Care managed care organizations: Molina and Blue Cross/Blue Shield.

HSD states that the Behavioral Health Collaborative has also established four service definitions for behavioral health services for very young children who have, or are at risk of, emotional disturbance or delays:

- Training and Counseling for Child Development, at risk or diagnosed with emotional or developmental delays ages 0-3". This service definition requires staff to have bachelors in social services or nursing and related experience. Supervisors must be independently licensed behavioral health providers, nurses or psychiatrists with related experience. Staff, therapists and supervisors (expect group staff) are required to maintain endorsement by the New Mexico Infant Mental Health Association. This is a Medicaid Value-added service and does not require endorsement from the association. Value-added services are additional services not covered by Medicaid that the Medicaid managed care organization voluntarily offers at no cost to the state.
- The three other service definitions are for CYFD funded services that began July 2013:
  - o Infant/Early Childhood Mental Health Treatment Services, severely emotionally disturbed ages 0-3
  - o Infant/Early childhood Mental Health Treatment Services, at risk ages 0-3; and
  - o Therapeutic Group with Young Children severely emotionally disturbed age 3-5

Additionally, the HSD provided the following information regarding this bill:

According to the association's website, the New Mexico Association for Infant Mental Health is a 501(c)(3), private, non-profit, professional membership organization that promotes and supports healthy development and nurturing relationships for all infants and young children in New Mexico. Association endorsement verifies that an applicant has attained a level of education as specified, participated in specialized in-service trainings, engaged in professional work related to infants/ toddlers and their primary caregivers, participated in the required reflective supervision/consultation experiences, and acquired knowledge to promote the delivery of high quality, culturally sensitive, relationship-based services to infants, toddlers, parents, other caregivers and families. (www.nmaimh.org)

### PERFORMANCE IMPLICATIONS

The CYFD reports that current performance measures related to behavioral health may be adversely affected by the elimination of this criterion for service reimbursement.

The DOH reports, the agency's FY15 Strategic Plan's may be affected in the following areas:

- 1) Improved health outcomes for the people of New Mexico
- 2) Improved quality, accessibility, and utilization of heath care services.

HSD reports this bill has implications on the agency's 2015 Strategic Plan Goal 4: Improve Behavioral Health Services. Specifically, Task 4.1: Strengthen a Behavioral Health System of Care and Task 4.4: Reduce adverse impact of substance abuse and mental illness on individuals, families, and communities.

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# **TECHNICAL ISSUES**

The bill may contain confusing language according to agency analysis about the intended use of the appropriation. On page 2, lines 4-10, subsection A. would specify that the appropriation is to be used "to fund value-added services for recipients of infant or early childhood mental health treatment services."

The concern is that the bill provides no definition for "value-added services" and infant mental health services are currently classified as value-added services within the Medicaid program.

HSD states that the provision would be clearer if the words "value-added services for recipients of" were stricken so the bill is clear that the intent is to fund infant and early childhood infant mental health services.

# **AMENDMENTS**

On page 2, lines 6-7 strike the words "value-added services for recipients of."

KK/jl