



## FISCAL IMPLICATIONS

The appropriation of \$400 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the general fund.

The Health Care Authority reported the Behavioral Health Services Division (BHSD) would need .5 term FTE to develop and issue a Request for Application (RFA) for a provider or research institute to conduct the study and monitor spending. This would be a total of \$35 thousand for salary, fringe benefits, and operating costs.

Funding for this study is not included in the LFC or executive budget recommendations.

## SIGNIFICANT ISSUES

Currently, the Department of Health (DOH) manages Turquoise Lodge Hospital (TLH) in Albuquerque. TLH provides substance abuse treatment services to New Mexico residents and specializes in medical detoxification, social rehabilitation services, and intensive outpatient services. Additionally, TLH priority patients for services include pregnant injecting drug users, pregnant substance abusers, other injecting drug users, women with dependent children, and women and men seeking to regain custody of their children. As of January 2024, census at TLH was 28, or 51 percent of licensed beds.

New Mexico consistently has the highest alcohol-related death rate in the country and ranked sixth nationally for drug overdose deaths in 2021. Substance use disorders (SUD) remain a problem in New Mexico, as alcohol- and drug-related deaths increased rapidly during the pandemic.

Between 2019 and 2021, the state's alcohol-related death rate increased by 31 percent, and 2,274 New Mexicans died of alcohol-related deaths in 2021. Similarly, the state's overdose death rate increased by 68 percent, and 1,029 New Mexicans died of a drug overdose in 2021. Preliminary 2022 overdose data suggests the state's overdose death rate may have improved slightly, though this data is preliminary and subject to change.

The state is investing relatively little effort in upstream interventions and prevention efforts, given the magnitude of the state's high rates of SUD and associated deaths, particularly for alcohol misuse. New Mexico should expand and increase uptake in prevention programs and consider strengthening population-level prevention policies.

New Mexico has made significant investments in treating substance use disorders. The state is spending roughly \$800 million on the Medicaid behavioral health program, which is the primary funding source for substance use treatment in New Mexico, as well as an additional \$246 million annually for behavioral health services, which may include substance use treatment, through other agencies in the Behavioral Health Collaborative. Previous LFC studies recommended expanding evidence-based forms of treatment, including the use of medications to treat opioid and alcohol-use disorders, as well as expanding the state's harm reduction efforts. New Mexico implemented several LFC recommendations, including statutory changes to the Harm Reduction Act and investments in medications to treat SUD.

A recent LFC report found some forms of evidence-based treatment have expanded within the state’s Medicaid behavioral health program. However, the utilization of medications to treat SUD has not grown substantially, though the elimination of federal requirements could make treatment for opioid use disorder more accessible. Overall, the state continues to struggle to leverage data in a timely way to better estimate SUD needs and treatment utilization, and New Mexico risks duplicating or underleveraging available resources without coordination.

New Mexico expanded SUD-related services covered under the state’s Medicaid program. In 2017, the federal Centers for Medicare and Medicaid Services (CMS) announced states interested in exploring additional opportunities for flexibility to design demonstration waivers that improve access to high quality, clinically appropriate treatment for opioid use disorder and other substance use disorders. Under the Centennial Care 2.0 waiver renewal program, New Mexico chose to participate in the SUD demonstration and added services to the state’s benefits package, including adult residential treatment, allowing longer stays for inpatient hospital treatment, screening brief-intervention and referral to treatment (SBIRT), peer support, and crisis treatment services.

**New Mexico Common Services for SUD Treatment  
Medicaid Claims 2022**

Service	Total Clients	Total Expenditures	% of Total Spend
Outpatient Hospitals (header-priced claims)	25,798	\$33,518,301	22%
Evaluation and Management Services in an Emergency Room	19,667	\$4,099,169	3%
Individual Psychotherapy	18,887	\$11,045,761	7%
New Patient Office Visit	13,707	\$1,823,693	1%
Psych. Diagnostic Evaluation	10,749	\$1,562,118	1%
Alcohol and/or Drug Services-Methadone	8,063	\$31,331,116	20%
Alcohol and/or Drug Prevention	5,075	\$2,311,611	2%
Group Therapy	4,255	\$2,389,181	2%
Alcohol and/or Drug Services-Intensive Outpatient Programs	3,666	\$21,222,811	14%
Self-Help and Peer Support Services	2,495	\$1,035,068	1%
Inpatient Hospitals (header-priced claims)	2402	\$20,209,652	13%
Comprehensive Community Support Services	1,775	\$4,057,917	3%

Source: LFC Analysis of HSD Medicaid Claims Data

A recent LFC report also stated although alcohol use disorder (AUD) treatment can be offered within inpatient settings, residential, or outpatient settings, particularly in rural areas patients are most likely to seek treatment from primary care providers. In New Mexico, DUI courts are another common referral for AUD treatment. However, the LFC study was unable to determine where New Mexicans are receiving treatment for AUD and if medications to treat AUD are available locally.

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