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FISCAL IMPACT REPORT

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| SPONSOR <u>Sen. Ortiz y Pino/Rep. Parajon</u> SHORT TITLE <u>Medication for Juveniles in Treatment Pgms.</u> | LAST UPDATED _____ ORIGINAL DATE <u>01/26/2024</u> BILL NUMBER <u>House Bill 149</u> ANALYST <u>Chilton</u> |
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ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

| Agency/Program | FY24 | FY25 | FY26 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|----------------|------|----------------|----------------|-------------------|---------------------------|---------------------|
| HCA Staffing | | \$220.0 | \$220.0 | \$440.0 | Recurring | General Fund |
| CYFD Staffing | | \$339.9 | \$339.8 | \$679.6 | Recurring | General Fund |
| Total | | \$559.9 | \$559.9 | \$1,109.6 | Recurring | General Fund |

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Duplicates Senate Bill 35
 Relates to House Bill 34

Sources of Information

LFC Files

Agency Analysis Received From
 Department of Health (DOH)
 Children, Youth and Families Department (CYFD)
 Health Care Authority (HCA)

Agency Analysis was Solicited but Not Received From
 Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of House Bill 149

House Bill 149 directs that state agencies (HCA and CYFD) that contract with inpatient or outpatient treatment programs for substance use disorders do so only with programs that do not have policies prohibiting the treatment of minors (defined as less than 18 years of age) with medication-assisted treatment.

Section 2 of the bill requires the state to cease contracting with providers of inpatient or outpatient services for minors that restrict medication-assisted treatment of minors by the end of FY25, and, beginning with FY 2027, such inpatient or outpatient substance use disorder providers would be ineligible to be reimbursed by New Mexico Medicaid for services to minors.

By December 1, 2024, HCA, along with DOH, CYFD, administrators of inpatient and outpatient treatment programs, and experts experienced in using medication-assisted programs, would determine regulations for use of medication-assisted substance use disorder treatment in inpatient and outpatient facilities.

By October 1 of each year beginning in 2024, HCA would report to the interim Legislative Health and Human Services Committee on the availability of medication-assisted treatment to minors in New Mexico.

Section 3 creates an “evidence-based addiction treatment for minors fund,” and money in the fund would be appropriated to HCA to “establish and operate medication-assisted treatment programs for minors” through CYFD, DOH, and inpatient and outpatient providers. HCA would promulgate rules for disbursements for the fund. There is no appropriation to the fund.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

There is no appropriation in House Bill 149.

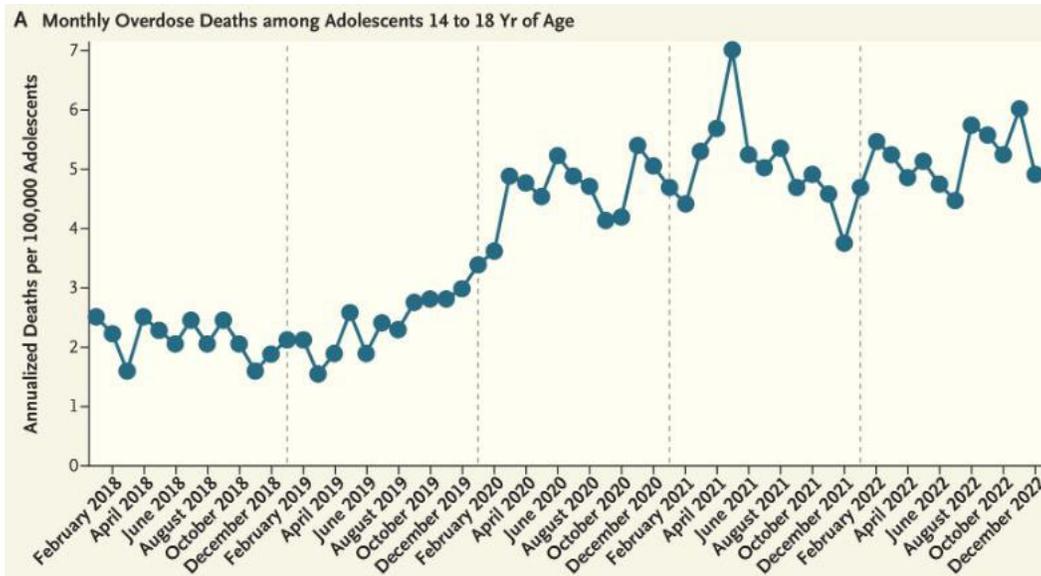
HCA indicates that its “Behavioral Health Services Division (BHSD) would need 2 FTE calculated and a .5 of a supervisor at \$220 thousand for salary, fringe benefits, and operational costs to assist in the development of evidence-based addiction treatment for minors as well as administering the fund. These positions would ensure that New Mexico adheres to the Code of Federal Regulations 42.8.12 federal opioid treatment standards and possible changes to NMAC and other BH policy changes are made in collaboration with state agencies.”

CYFD also would require new staff. According to CYFD analysis, “There is no appropriation for CYFD in the bill. The agency would need 3 additional FTE to include 2 additional Registered Nurse Level III positions and 1 additional Social & Community Services Coordinator Advanced position. The cost would be \$332.3 thousand in salaries and benefits and \$7.5 thousand in overhead costs for items such as equipment, email fees, etc. The total budget needed for salaries and benefits and overhead costs is \$339.8 thousand. The amount of FTE’s and training to create monitors and oversight of such programing will be significant.”

This bill creates a new fund but does not provide for any one-time or continuing appropriations to that fund. LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds because it reduces the ability of the Legislature to establish spending priorities.

SIGNIFICANT ISSUES

HCA makes note of the large increase in the number of adolescents exposed to addictive drugs, and the rapid increase in deaths due to drugs among minors. HCA makes reference to a paper in the *New England Journal of Medicine*, 2024, documenting the increase in adolescent drug-related death rate, as shown in the graph below:



Making note of the alarming increase in addictive drug use and its consequences, including death, in minors, the American Academy of Pediatrics’ (AAP) Committee on Substance Use and Prevention makes the following recommendation: “The AAP recommends that pediatricians consider offering medication-assisted treatment to their adolescent and young adult patients with severe opioid use disorders or discuss referrals to other providers for this service.” References supporting the use of medication-assisted treatment for substance use disorders are included in the AAP paper at [peds20161893 1..5 \(silverchair.com\)](https://www.pediatrics.org/cgi/content/full/127/5/e11).

A 2014 federal Substance Abuse and Mental Health Services report on the treatment approaches to adolescent substance abuse disorder mentions a number of treatment approaches other than medication-assisted treatment, including:

- Group therapy,
- Adolescent community reinforcement approach,
- Cognitive-behavioral therapy,
- Contingency management,
- Motivational enhancement therapy,
- Twelve-step facilitation therapy,
- Family approaches:
 - Brief strategic family therapy
 - Family behavior therapy
 - Functional family therapy
 - Multidimensional family therapy
- Addiction-related medications (e.g., methadone, buprenorphine).

The last of these may be the most effective for the largest number of patients; this bill would end contracting with any agency that refused to contemplate the use of addiction-related medications. It does not appear to foreclose the use of other effective treatment methods.

However, CYFD states that it is concerned that:

This bill may cause providers who serve children to shut down rather than change their programming to comply with the legislation. New Mexico’s providers of behavioral health services for minors tend to treat co-occurring disorders that include mental health

and substance use. The requirement to provide Medication Assisted Treatment (“MAT”) may hinder a provider’s ability to bill and be reimbursed by Medicaid. Currently, there are no specific providers who provide in-patient MAT services for minors. This requirement may also prevent new providers who only provide Substance use detoxification from choosing to expand their services into New Mexico. Moreover, there are no detailed studies demonstrating that MAT as an intervention is best practice. Monitoring the efficacy of MAT also presents challenges, including how this requirement will impact access to treatment in rural areas of the state.

Finally, it is unclear whether MAT will be considered as a phase of intervention in a spectrum of treatment including long-term treatment and supports such as medications for opioid use disorder (MOUD). Recognizing that MAT is considered a short-term treatment, CYFD recommends including MOUD in this legislation, as MOUD provides long-term treatment and support.

ADMINISTRATIVE IMPLICATIONS

CYFD notes that its “Licensing and Certification Authority licenses and certifies residential treatment centers for children and children’s behavioral health service providers. This bill will require LCA to include additional requirements concerning medication assisted treatment for minors in its review processes.”

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 149 duplicates Senate Bill 35. House Bill 149 relates to House Bill 34, State-Run Substance Use Rehab Facility Study, which appropriates \$400 thousand to the Health Care Authority to conduct a study that identifies and evaluates the merits of strategies for creating a state-run long-term residential rehabilitation facility that treats individuals with substance use disorder.

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