NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

# Behavioral Health Criminal Justice Services and Funding


Eric Chenier, Principal Analyst, LFC
Rachel Garcia, Principal Analyst, LFC


June 26, 2024

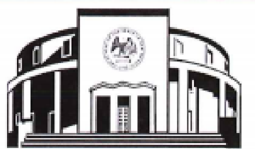
# Overview

- Medicaid and Behavioral Health Overview
- Behavioral Health Funding
- Needs and Gaps
- Behavioral Health and Criminal Justice LFC Research and Recommendations

# Medicaid Enrollment

## MAJOR ENROLLMENT CATEGORIES

- Feb 2024 enrollment - 879,409.
- About 282K enrolled in the expansion/other adult group
- 160K Medicaid adults
- 354K children
- Others with partial benefit



# Medicaid Enrollment Revenue and Expenditures– Approximately 42% of NM population is covered by Medicaid

**Total Medicaid Enrollment and Expenditures FY11-FY25**

| Fiscal Year | Medicaid Enrollment | Medicaid Expenditures (in millions) | Base Federal | 6.2 Percent FMAP ARPA | Other Revenue | General Fund |
|---|---|---|---|---|---|---|
| FY11 | 544,029 | $3,718 | $2,926 | | $193 | $598 |
| FY12 | 565,016 | $3,640 | $2,562 | | $229 | $849 |
| FY13 | 575,864 | $3,677 | $2,560 | | $250 | $868 |
| FY14 | 616,180 | $4,201 | $3,062 | | $236 | $902 |
| FY15 | 777,677 | $5,162 | $4,035 | | $233 | $894 |
| FY16 | 853,440 | $5,414 | $4,239 | | $262 | $913 |
| FY17 | 902,933 | $5,607 | $4,430 | | $268 | $910 |
| FY18 | 865,502 | $5,610 | $4,435 | | $274 | $901 |
| FY19 | 836,775 | $5,617 | $4,429 | | $269 | $918 |
| FY20 | 839,726 | $6,516 | $5,136 | $131 | $330 | $920 |
| FY21 | 910,429 | $7,385 | $5,817 | $299 | $341 | $929 |
| FY22 | 962,568 | $8,426 | $6,631 | $417 | $338 | $1,041 |
| FY23 | 992,573 | $9,099 | $7,217 | $320 | $353 | $1,210 |
| FY24 Feburary enrollment | 879,409 | $9,424 | $7,416 | $85 | $537 | $1,471 |
| FY25 Projected | 917,834 | $10,300 | $8,137 | 0 | $369 | $1,794 |

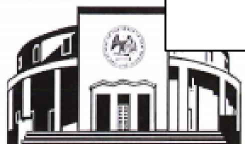
Expenditures (in millions): $-, $2,000, $4,000, $6,000, $8,000, $10,000, $12,000

Medicaid Enrollment: 0, 100,000, 200,000, 300,000, 400,000, 500,000, 600,000, 700,000, 800,000, 900,000, 1,000,000

Fiscal Year

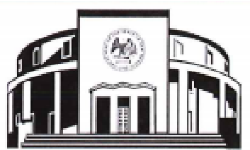
General Fund | Other Revenue | 6.2 Percent FMAP ARPA | Base Federal | Medicaid Expenditures (in millions) | Medicaid Enrollment

Source: HSD September 2023 Projection

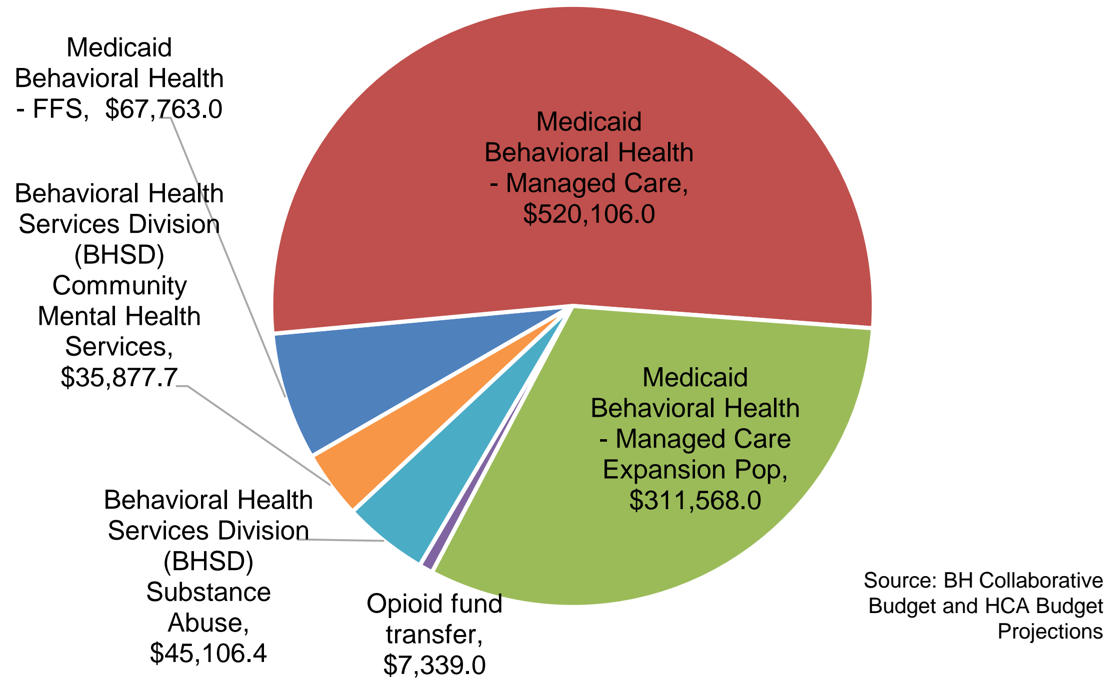


# Behavioral Health Collaborative

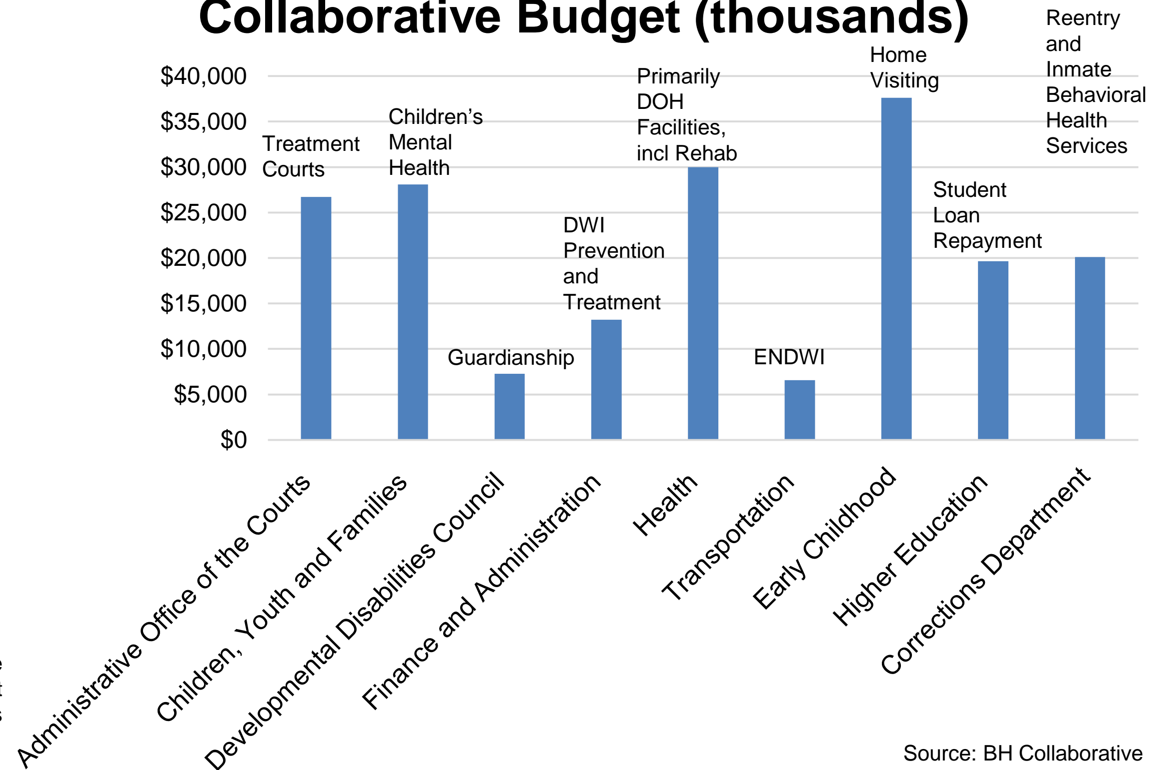
- In 2004, the Legislature created an Interagency Behavioral Health Purchasing Collaborative to develop and coordinate a single statewide behavioral health system, managed by a CEO (currently vacant).
- The 17 Collaborative agencies house programs with services contracted through a single entity with $190 million contracted out in FY25.
- Collaborative key responsibilities include:
  - Needs and gaps analysis
  - Contract for delivery of services
  - Development of a master plan



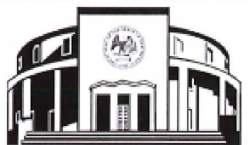
# Collaborative Agencies are Budgeted to Spend Nearly $1.1 billion in FY25, a 25 Percent Increase since FY22




Source: BH Collaborative Budget and HCA Budget Projections




Source: BH Collaborative



# Medicaid Behavioral Health Spending Growth

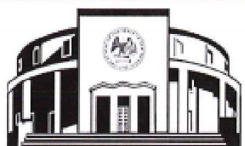
**Medicaid Behavioral Health Total**

$950,000.0
$900,000.0
$850,000.0
$800,000.0
$750,000.0
$700,000.0
$650,000.0

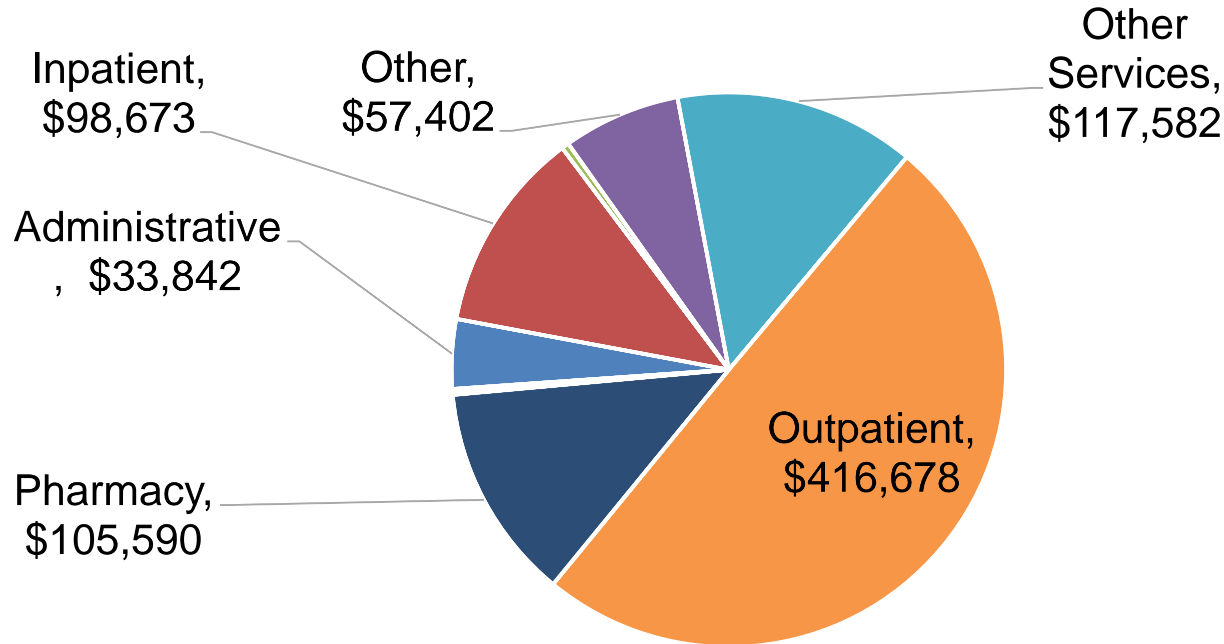
FY22 Expenditures
FY23 Expenditures
FY24 Projection
FY25 Projection

Source: Medicaid Projections

Between FY22 and FY25, projected spending for the behavioral health program will grow by 25%, much of the increases in recent years are related to increased provider rates.



# Medicaid Behavioral Health Spending




Source: MCO Financial Reports

**Outpatient Services Includes**

| Service | Amount |
|---|---|
| Evaluations and Therapies | $168,263.4 |
| Applied Behavior Analysis | $59,609.7 |
| Federally Qualified Health Centers (FQHC's) | $36,577.3 |
| Comprehensive Community Support Services (CCSS) | $33,304.2 |
| Intensive Outpatient Program (IOP) | $30,417.1 |
| Outpatient Facility Treatment | $27,254.5 |
| Foster Care Therapeutic | $19,012.9 |
| Telehealth | $12,520.8 |
| Assertive Community Treatment (ACT) | $11,362.7 |
| Multi-Systemic Therapy (MST) | $8,825.7 |
| Psychosocial Rehab Services | $3,225.1 |

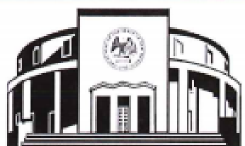
**Other Includes**

| Service | Amount |
|---|---|
| Other Professional BH Services | $55,673.8 |
| Care Coordination - Medical | $25,555.6 |
| Indian Health Service | $24,653.3 |

**Inpatient includes**

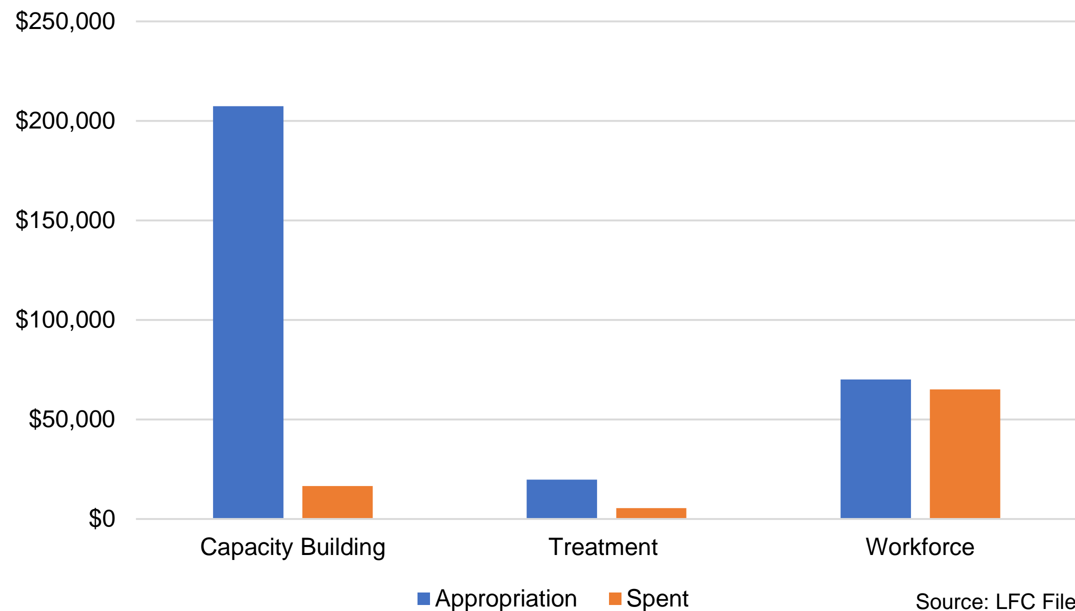
| Service | Amount |
|---|---|
| Other Residential | $45,001.9 |
| Hospital Inpatient Facility | $24,791.2 |
| Residential Treatment Center, ARTC and Group Homes | $14,019.9 |
| Inpatient and Residential Professional Charges | $9,537.6 |
| Partial Hospitalization Program | $5,322.5 |

Outpatient services is the largest spending category in both the Behavioral Health Program (41%) and the Expansion Adults BH Program (42%)



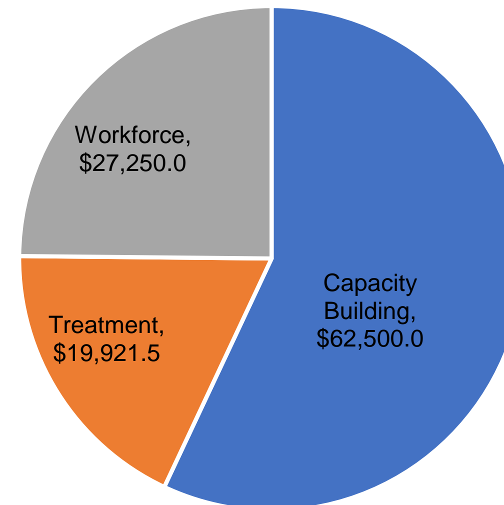
# Collaborative Agencies Received $407 Million in Nonrecurring BH Funding Between FY23 and FY25

Nonrecruring Behavioral Health Appropriations FY23 and FY24




Source: LFC Files

FY25 Nonrecurring Behavioral Health Appropriations




Source: LFC Files

**FY23-FY25 Nonrecurring Includes**

| | |
|---|---|
| Rural Health Care Grants | $126,000 |
| Tribal Health and Behavioral Health Service Expansion | $25,000 |
| Behavioral Health Provider Startup Costs | $20,000 |
| GRO -- SBIRT and CCBHCs | $15,000 |

FY23 and FY24 workforce appropriations were primarily for endowments, explaining the high percentage of expenditures.

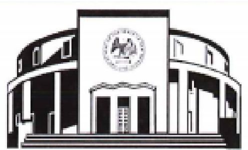
# What Are the Needs and Gaps?

- New Mexico ranks poorly on key behavioral health metrics
- The number of behavioral providers is slowly growing
- Need to focus on providing more high-quality evidence-based services
- Improved data and analysis will tell us where to focus our efforts

**2023 New Mexico Behavioral Health Rankings (Lower Rank is Better)**

| | Behavioral Health | |
|---|---|---|
| | Rank | Rate |
| Overall Mental Illness Prevalence, Adults and Children | 36 | |
| Adult Substance Use Disorder | 32 | 17% |
| Youth with Major Depressive Episode | 42 | 19% |
| Youth Substance Use Disorder | 47 | 8% |

Sources: State of Mental Health in America 2023 and America's Health Rankings

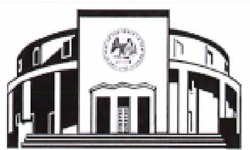


# Behavioral Health Needs

- A fall 2023 LFC Medicaid accountability report found that utilization in a few key areas of physical and behavioral health have decreased since 2019.
- Without better access measures, utilization can be used to approximate whether Medicaid members are accessing the services the state is paying for.
- However, because the utilization metrics the Health Care Authority tracks are units of service, the state does not know if more or fewer clients are receiving care.

**Utilization**

| Behavioral Health Practitioner Visits per 1,000 Members | | Emergency Room Visits for Nonemergency Needs | |
|---|---|---|---|
| 2022 | 620 | 2022 | 57% |
| 2019 | 250.7 | 2019 | 61% |



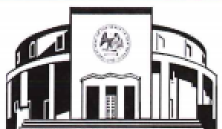
# Behavioral Health Managed Care Providers – Capacity Generally Growing

**Change in Medicaid Managed Care Behavioral Health Proivders by Population Size**

| County Designation | | Change in percent of Providers 2019-2020 | Change in percent of Providers 2020-2021 | Change in percent of Providers 2021-2022 | Change in percent of Providers 2022-2023 |
|---|---|---|---|---|---|
| Metro - Counties in metro areas of 250,000 to 1 million population | | 4% | 7% | 9% | 10% |
| Metro - Counties in metro areas of fewer than 250,000 population | | 17% | -3% | 10% | 10% |
| Nonmetro - Urban population of 20,000 or more, adjacent to a metro area | | 42% | -18% | 17% | 0% |
| Nonmetro - Urban population of 20,000 or more, not adjacent to a metro area | | 4% | 18% | 15% | 8% |
| Nonmetro - Urban population of 5,000 to 20,000, adjacent to a metro area | | 12% | 6% | 9% | 3% |
| Nonmetro - Urban population of 5,000 to 20,000, not adjacent to a metro area | | 10% | 10% | 4% | 4% |
| Nonmetro - Urban population of fewer than 5,000, adjacent to a metro area | | 286% | -74% | 57% | -27% |
| Nonmetro - Urban population of fewer than 5,000, not adjacent to a metro area | | 18% | 0% | -11% | 15% |
| Out of State | | 71% | 34% | -7% | 6% |
| Grand Total | | 11% | 6% | 9% | 9% |

**Change in Medicaid Caseload by Population Size**

| County Designation | | Change in Medicaid Population 2020-2021 | Change in Medicaid Population 2021-2022 | Change in Medicaid Population 2022-2023 |
|---|---|---|---|---|
| Metro - Counties in metro areas of 250,000 to 1 million population | | 8% | 5% | -3% |
| Metro - Counties in metro areas of fewer than 250,000 population | | 9% | 4% | -3% |
| Nonmetro - Urban population of 20,000 or more, adjacent to a metro area | | 6% | 3% | -3% |
| Nonmetro - Urban population of 20,000 or more, not adjacent to a metro area | | 9% | 4% | -3% |
| Nonmetro - Urban population of 5,000 to 20,000, adjacent to a metro area | | 7% | 4% | -3% |
| Nonmetro - Urban population of 5,000 to 20,000, not adjacent to a metro area | | 4% | 3% | -4% |
| Nonmetro - Urban population of fewer than 5,000, adjacent to a metro area | | -9% | 10% | -13% |
| Nonmetro - Urban population of fewer than 5,000, not adjacent to a metro area | | 4% | 0% | -5% |
| ( | | | | |
| Grand Total | | 8% | 4% | -3% |



# HSD- Medical Assistance Division

**Spending**

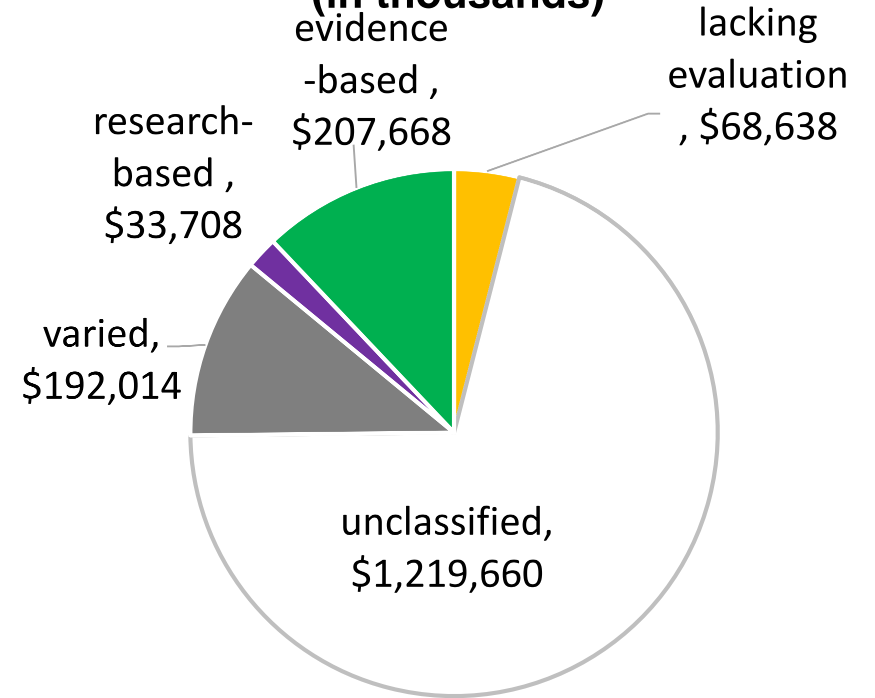
- HSD-Medical Assistance Division's programmatic expenditures:
  - FY23 = $1.7B FY24 budget = NR FY25 request = NR
- Note: Does not overlap data from earlier slides
- 12% of MAD's programmatic spending ($241 million) was on evidence- -based programming.
- 71% of MAD's programmatic spending ($1.2 billion) was on unclassified Medicaid services.

**Program Summary**

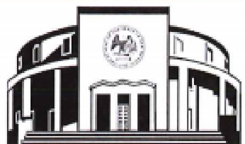
- MAD reported expending the most on psychotherapy, an unclassified program, reported as multiple different Medicaid service codes and accounts for at least $900 million dollars of expenditures,
- MAD served the most people through various therapy billing codes

**Challenges**

- The agency did not classify 76 of the 92 (83%) Medicaid services provided, which accounts for $1.2 billion in total expenditures (71%).
- The agency does not have service specific data for 3 programs included in the inventory, and so MAD should amend contracts to better collect data on types services provided within programs.

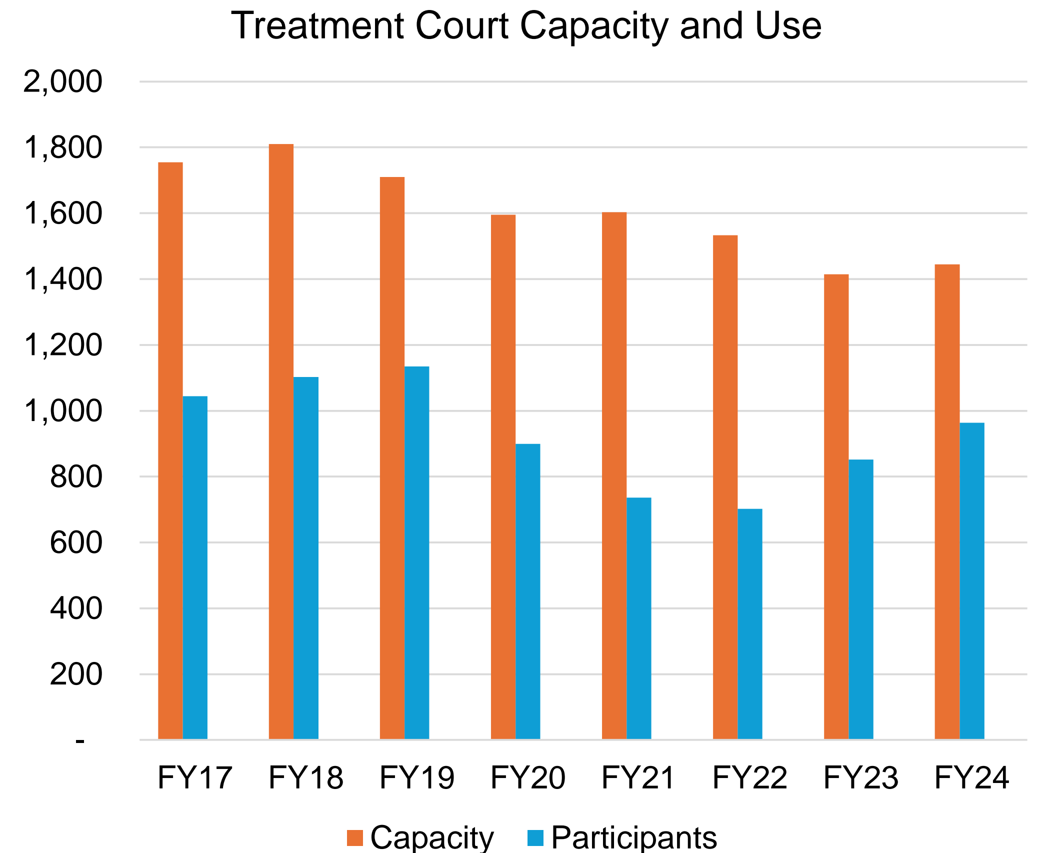


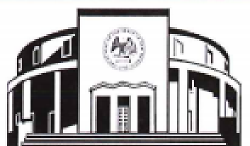

Source: LFC analysis of BHSD data



# Treatment Courts

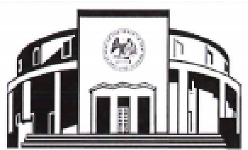
- Between FY22 and FY25 treatment court funding increased about 42 percent.
  - However, between FY18 and FY25 treatment court capacity and use decreased by 20 percent and 13 percent, respectively.



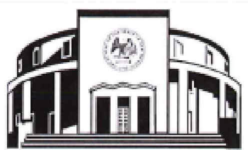
# Issues Identified in Prior LFC Evaluations and Research:

- Prison Revolving Door
  - NMCD does not consistently use a validated risk assessment tool for appropriate inmate security risk classification
  - NMCD does not use needs assessments to reduce the risk of recidivism and determine appropriate services such as education or job training
  - One-third of new prison admissions are for technical parole violations with most related to substance use disorder (SUD).
  - State law allows for high caseloads and there is no treatment requirement for intensive parolee supervision. Intensive supervision is only effective when caseloads are manageable, and offenders receive services.
  - Other states allow Medicaid coverage for incarcerated individuals 90 days prior to release.



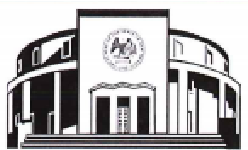
# Issues Identified in Prior LFC Evaluations and Research:

- Prison Revolving Door Options:
  - Require NMCD to use a validated risk assessment tool and use needs assessments on all inmates to determine appropriate security classification and needs to reduce likelihood of reincarceration.
  - Require NMCD to seek alternatives to reincarceration before revoking parole for a substance use violation.
  - Set caseload standards for intensive supervision and require services such as behavioral health treatment.
  - New Mexico should seek a Medicaid state plan amendment to allow for Medicaid coverage 90 days prior to the release of incarcerated individuals, allowing for a smoother transition into services.



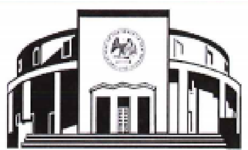
# Issues Identified in Prior LFC Evaluations and Research:

- Limited access to care in high-risk communities
  - Successful treatment of SUD often requires screening assessment, detoxification, outpatient and inpatient treatment, medication assisted treatment, counseling, recovery support and other services.
  - Pharmacies often limit the types of medication assisted treatment drugs available in areas with high rates of opioid use disorder.
  - Currently providers must become credentialed for providers through each managed care organization (MCO) separately before seeking reimbursement from that MCO.



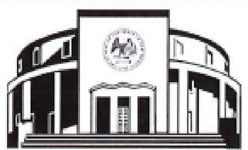
# Issues Identified in Prior LFC Evaluations and Research:

- Limited access to care in high-risk communities' options:
  - Require Medicaid funded certified community behavioral health clinics in high-risk communities to ensure access to the full array of services. ($15 m in startup funding + SAMHSA grants are already in the budget)
  - Authorize the pharmacy board and DOH to require pharmacies in high-risk locations to make available Medication assisted treatment.
  - Require Medicaid to implement single credentialling to reduce the need to work with multiple MCOs to become reimbursable within their networks.



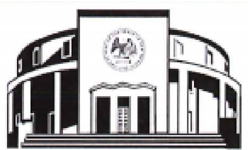
## Issues Identified in Prior LFC Evaluations and Research:

- Ensure public safety prior to adjudication
  - No statutory standards for pretrial services
  - Pretrial risk tools do not have statutory guardrails about validation, reevaluation, or use in decision making.
  - Pretrial Services lack needs assessments
  - There is no standard approach for who requires 24-hour ankle monitors.
  - There is little statutory basis for pretrial metrics and performance data, or how criminal justice coordinating councils should use performance measures now part of HB2



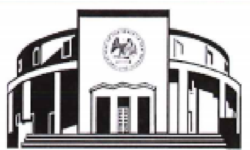
# Issues Identified in Prior LFC Evaluations and Research:

- Ensure public safety prior to adjudication, options
  - Outline minimum standards for pre-trial services, with the AOC providing certification programs that meet these standards. Grant the Supreme Court additional rule-making authority for services.
  - Require periodic validation of risk assessments and implement needs assessments for services
  - Require rules for when and for whom to mandate 24-hour live monitoring pre-release via ankle monitors.
  - Require reporting and use pre-trial performance data to improve safety and report findings on public-facing dashboards.



# A few more items to leave you with

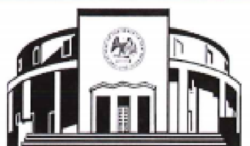
- Lack of community-based treatment options continues to be an issue for both adults and children (ie. Kevins S. Lawsuit)
- There continues to be significant unspent balances from nonrecurring appropriations (ie. $ 20 million to boost behavioral health capacity)
- DOH substance abuse rehabilitation centers continue to have low numbers of clients despite the need and capacity.



## For More Information

- https://www.nmlegis.gov/Entity/LFC/Default
- Session Publications – Budgets
- Performance Report Cards
- Program Evaluations

325 Don Gaspar – Suite 101
Santa Fe, NM 87501
505-986-4550

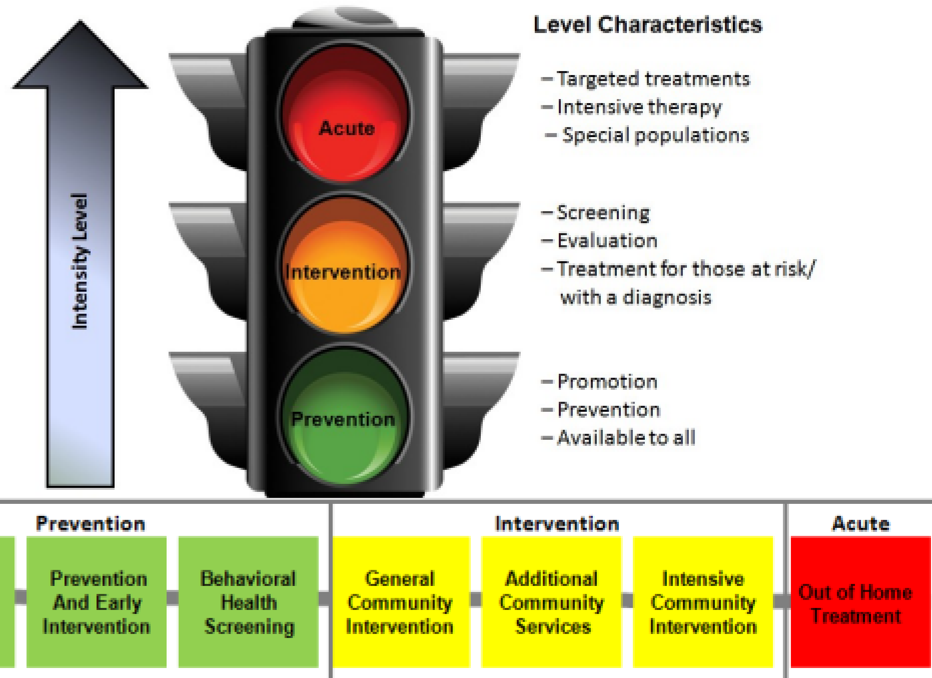


# Appendices

# Federal Medical Assistance Percentage

- Federal Medical Assistance Percentage (FMAP) – The federal government's reimbursement rate for state expenditures on Medicaid. The rate is dependent on the population served with differing rates for children, income levels, adult expansion, and other groups.
- Base and enhanced rates – Changes each year based on a state's economic performance on per capita personal income. For federal FY25 New Mexico's rate decreased 0.91 percent, costing about $68.9 million in state general funds.
- Blended Rate – Accounts for the different FMAP rates for different populations by weighting the number in each group. For FY25 the blended rate is 77.71 percent. With every state dollar spent the federal government reimburses $3.45.

| Medicaid Eligibility Groups | | |
|---|---|---|
| **Threshold (FPL)** | **Population** | **FMAP 2025** |
| 100% | Traditional Base | 71.68% |
| 138% | Adult Expansion | 90.00% |
| 190% | Children 6-19 (Medicaid) | 80.18% |
| 240% | Children 0-6 (Medicaid) | 80.18% |
| 240% | Children 6 to 19 (CHIP) | 80.18% |
| 250% | Pregnancy Services | 71.68 |
| 300% | Children 0-6 (CHIP) | 80.18% |
| | Native Americans | 100% |




**Selected Children's BH New Mexico Results First Cost Benefit Analysis**

| | Program Name | Return on Investment per dollar spent |
|---|---|---|
| Promotion and Prevention | Nurse Family Partnership | $10 |
| | Other Standards Based Home Visiting Programs | $1 |
| Intervention | Cognitive Behavioral Therapy (CBT) for Child Trauma | $8 |
| | Group CBT for Child Depression | $24 |
| | Group CBT for Anxious Children | $10 |
| | Eye Movement Desensitization and Reprocessing for Child Trauma | $9 |
| | Multisystemic Therapy for Youth with Serious Emotional Disturbance | $2 |
| | Brief Strategic Family Therapy | $2 |
| | Parent Child Interaction Therapy for Children with Disruptive Behavior | $3 |
| | Motivational Interviewing | $29 |
| | Seeking Safety | $33 |
| | Multisystemic Therapy for Juvenile Offenders | $3 |
| | Functional Family Therapy for Youth in State Institutions | $11 |
| | Functional Family Therapy for Youth on Probation | $8 |
| | Juvenile Drug Courts | $5 |
| Acute Intervention | Multidimensional Treatment Foster Care | $2 |
| | Relapse Prevention | $4 |

Source: LFC

# Turquoise Care Vs. Centennial Care

- Turquoise Care is the name of the Medicaid Managed Care Program replacing Centennial Care
- Going from 3 Managed Care Organizations (MCO) to 4, with Molina and United Health Care added and Western Sky Community Care Dropped
- Adding Benefits such as:
    - Supportive Housing
    - Continuous Eligibility for children under six years old
    - Expansion of Home Visiting
    - Evidence-Based Behavioral Health services treatment modalities
- Presbyterian will be the MCO for Children in State Custody