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FISCAL IMPACT REPORT

SPONSOR: Moore DATE TYPED: 2/21/03 HB 719

SHORT TITLE: 8 County Regional Alcohol Treatment Center SB _____

ANALYST: Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$22,500.0			Recurring	DWI Program Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 638

SOURCES OF INFORMATION

Responses Received From
 Department of Health (DOH)
 Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

House Bill 719 provides for an appropriation of \$22.5 million beginning in FY04 and ending in FY08 from the DWI Program Fund to the Department of Health (DOH) to fund the operation of an eight-county regional alcohol treatment center and intensive after-care and transitional living programs for Curry, De Baca, Guadalupe, Harding, Quay, Roosevelt, San Miguel and Union counties.

HB 719 would require the following expenditures:

- \$11 million to operate a regional alcohol treatment and inpatient alcohol treatment facility in Fort Sumner. It would provide alcohol treatment services to resident of the eight counties previously delineated. Allowable expenditures include use of the facility, utilities, supplies, office equipment, salaries for treatment providers and support staff, quality assurance and evaluation services to monitor alcohol-related statistics.

- \$11.5 million for intensive after-care and transitional living programs for the eight counties. Required services/activities include a comprehensive alcohol treatment after-care and follow-up program, a youth treatment and after-care and follow-up program, and a transportation system to and from the regional alcohol treatment center.

The legislation also addresses coordination, planning and evaluation programs to be administered by no fewer than two representatives from the county health and wellness councils of each county. The bill provides for a board of advisors and representing each county that will participate in alcohol prevention and treatment related training, mileage and per diem for the board of advisors, and a quality assurance and evaluation services program to monitor alcohol related statistics.

Significant Issues

DOH questions the specific intent of HB 719, which was derived from the Eight-County Alcohol Initiative group. The department references the Center on Alcoholism, Substance Abuse and Addictions at UNM, and note that most studies have shown no significant difference in the effectiveness between inpatient and outpatient treatment in reducing recidivism of substance abusers. DOH states the cost of inpatient treatment is significantly higher than that of outpatient treatment services. The DWI Grant Program currently provides outpatient treatment services for DWI offenders in the eight county area.

Currently there is shortage of inpatient treatment beds in the 8-County area. The closest inpatient treatment beds are in Roswell or in Albuquerque. According to the Office of Epidemiology of DOH, which maintains the state repository and database for DWI offenders screened for alcohol/drugs, a total of 1747 DWI offenders were screened from the eight county area during the period of July 1, 1999 to June 30, 2002. Of that total screened, 104 or 6% were recommended for inpatient treatment services.

FISCAL IMPLICATIONS

The appropriation of \$22,500.0 contained in this bill is a expense to the DWI Program Fund over five years [\$4,500.0 per year] from 2004 through 2008.

The critical fiscal implication relates to the origin of this funding. The language used to identify the source of these funds in HB 719 is the "DWI Program Fund". This fund usually refers to a limited amount of money used to fund the DFA Local Government Division's DWI initiative. That budget is derived from a set formula and would appear to be in conflict with this appropriation. Funds have been allocated based on the formula. In order to receive the funds that are necessary to operate the facility, a change is required to the formula.

The Local DWI Grant Fund receives approximately \$12,000.0 per year to distribute to the local county DWI programs statewide. This amount is distributed as follows:

- \$9,000.0 to the counties to run evaluation, prevention and treatment programs,
- \$1,000.0 to detoxification programs, and
- \$2,000.0 in grants to counties.

It is not clear in HB 719 how the proposed treatment facility and transitional programs would be funded after 2008 when the proposed appropriation would terminate.

ADMINISTRATIVE IMPLICATIONS

The administrative burden would be minimal. The two DOH Behavioral Health Services Division Regional Care Coordinators that coordinate care in these eight counties would administer the \$4.5 million per year.

DUPLICATION, RELATIONSHIP

Duplicates SB 638.

Relates to:

SJM010 Alcohol Nutrition Study, which requests DOH evaluate the effectiveness of nutrition as a component of treatment for alcoholism.

HB257 Alcohol-Related Domestic Abuse Programs, which provides money in the DWI fund for domestic abuse related to alcoholism.

SB387 Northern NM Alcohol and Substance Abuse, makes an appropriation for substance abuse treatment in Northern New Mexico.

OTHER SUBSTANTIVE ISSUES

According to the Office of Epidemiology, which maintains the statewide DWI screening and tracking database, of the 1747 DWI offenders screened from the eight county area, 824 (47%) were not recommended for any type of treatment services and 819 (46%) were recommended for outpatient treatment services.

As of July 2002, there were seven inpatient detoxification and eighteen inpatient psychiatric facilities in NM (*DOH, Behavioral Health Needs and Gaps in New Mexico, July 2002*).

Lack of treatment for substance abuse in New Mexico also has costs beyond the delivery of treatment services. Unrelated mental health and substance abuse disorders in New Mexico are estimated to cost the state's businesses, taxpayers and families more than \$3 billion annually. For every dollar spent on alcohol and other drug treatment, \$7.14 is saved by reductions in other social, governmental and economic costs. (*DOH, Behavioral Health Needs and Gaps in New Mexico, July 2002*)

BD/yr/njw