

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Beam DATE TYPED: 02/21/03 HB HJM 42

SHORT TITLE: Medicaid Waiver for Mentally Ill SB _____

ANALYST: Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$0.0				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From
 Human Services Department
 Department of Health

SUMMARY

Synopsis of Bill

House Joint Memorial 42 (HJM 42) requests the Human Services Department (HSD) to lead a task force to study the feasibility of a Medicaid waiver program for persons with mental illness.

The memorial requests a variety of representatives that include: 1) Department of Health (DOH), 2) Children Youth and Families (CYFD), 3) agencies and professionals providing services to children and adults with serious mental illness, 4) a statewide alliance for the mentally ill, 5) an organization of parents with behaviorally different children, 6) an organization for protection and advocacy of persons with disabilities, 7) adult consumers of mental health services, and 8) family members of adults, children, or youth with serious mental illness. These groups are to be included as members of the task force.

The task force is to consider the option of a separate mental health waiver or the option of including appropriate mental health services within a broader waiver program. In each case, state dollars would be used to leverage federal dollars so the State can draw federal matching funds.

HJM 42 requires that the task force, through HSD, report findings and recommendations to the

Legislative Finance Committee and to the interim legislative Health and Human Services Committee at their respective October 2003 meetings.

Significant Issues

HJM 42 points out that there is an inadequate, or lack of, community-based services and support are available to adults with mental illness. This results in neglect, homelessness, unemployment or institutionalization in hospitals or jails. Children or youth with serious mental illness drop out of school, are removed from their biological families and placed in therapeutic foster care, residential treatment, acute hospitals, or are being incarcerated.

The funding of Mental Health Services in New Mexico is insufficient to provide comprehensive services to the mentally ill. New Mexico ranks 46th lowest in the nation in terms of funding for Mental Health Services. Suicide in New Mexico continues to be the 3rd leading cause of death among adults. Homelessness, unemployment, and disrupted families are common among the mentally ill in New Mexico.

A Medicaid Waiver would provide comprehensive case management services to reduce the mentally ill from having hospitalizations, improve Supported Employment and Housing, and ensure that the mentally ill receive sufficient attention to curb the cycle that currently exists. Services are fragmented across state agencies, with inadequate coordination and focus on the population with serious mental illness.

The estimated numbers of un-served adults and children with serious mental illness in New Mexico has been reported in the "Behavioral Health Needs and Gaps in New Mexico" study conducted July 2002 by the Technical Assistance Collaborative, Inc. This study reports that services are insufficient and that funding is inadequate in New Mexico to address the needs of individuals with mental illness and behavioral health concerns, especially in rural areas. Many adults and families of children with mental illness may be above the income threshold to be eligible for Medicaid yet are too impoverished to pay for needed services.

HJM 42 acknowledges that state-supported services are provided to low-income adults with mental illness who are not currently eligible for Medicaid. It goes on to state that a Medicaid waiver could leverage services and enable the state to draw federal matching funds for those state expenditures. HJM 42 implies that those New Mexicans currently receiving state-funded mental health services would somehow become Medicaid eligible. This may be a faulty assumption. As the Gaps Analysis points out, many New Mexicans will not be Medicaid eligible because they are just above the income threshold. If these state funds are used to leverage Medicaid services for those who are Medicaid eligible, then care must be taken there is not a reduction in funding for non-Medicaid eligible adults.

FISCAL IMPLICATIONS

There would likely be a resultant increase in the general fund requirement for expenses related to this new Medicaid population.

MW/lis