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## FISCAL IMPACT REPORT

SPONSOR: Papen DATE TYPED: 2/24/03 HB \_\_\_\_\_

SHORT TITLE: Dona Ana Mental Health Program SB 795

ANALYST: Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$500.0			Recurring	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 850

### SOURCES OF INFORMATION

Responses Received From  
Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

Senate Bill 795 appropriates \$500.0 from the state general fund to the Department of Health (DOH) for expenditure in fiscal year 2004 (FY04) to contract for development and implementation in Dona Ana County of a assertive integrated community-based psychosocial treatment and rehabilitation program for persons with severe and persistent mental illness and co-occurring disorders. The contract must be with a nonprofit statewide provider accredited by the national commission on accreditation of rehabilitation facilities.

#### Significant Issues

This bill is from the Medicaid Reform Committee. There is no entity that is currently providing these types of services in Dona Ana County that is a *nonprofit statewide* provider accredited by the *national commission on accreditation of rehabilitation facilities*.

DOH Behavioral Health Services Division (BHSD), through its Regional Care Coordination (RCC) contractor, Rio Grande Behavioral Health Services Inc. (RGBHS), currently purchases community-based psychosocial treatment and rehabilitation services for persons with severe and

persistent mental illness and co-occurring disorders from Southwest Counseling Services and Southern New Mexico Human Development. Medicaid Salud also provides community-based psychosocial treatment and rehabilitation programs for persons with severe and persistent mental illness and co-occurring disorders to those who are Medicaid eligible.

### **FISCAL IMPLICATIONS**

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 04 shall revert to the general fund.

### **ADMINISTRATIVE IMPLICATIONS**

DOH/BHSD has the mechanisms in place to administer this funding in compliance with the NM Procurement Code. However, the lack of clear definitions and the restrictions regarding eligible contractors (i.e., nonprofit statewide provider accredited by the national commission on accreditation of rehabilitation facilities) could present difficulties in obtaining an appropriate provider.

### **RELATIONSHIP**

Relates to HB 850, which appropriates \$1,700,000 for inpatient mental health services in southern New Mexico.

### **TECHNICAL ISSUES**

Definitions are needed for: assertive integrated community-based psychosocial treatment and rehabilitation program and co-occurring disorders.

### **OTHER SUBSTANTIVE ISSUES**

The Gap Analysis Executive Summary Recommendation lists the following recommended priorities, in order of importance, and as resources become available:

- Crisis services and jail/hospital alternatives;
- In-home and wrap-around services for children and their families, including therapeutic foster care where needed; and
- Integrated services for persons with multiple or co-occurring needs, especially those with mental illness and MRDD, or mental illness and substance abuse.

In Region 3, which includes Dona Ana County, 615 individuals are registered as “Seriously Mental Ill” and 1,313 as having “Co-occurring Disorders”. Approximately \$1,100,892 is available in Dona Ana County to serve “priority one clients.” The Priority One definition includes those who ...”are over 18 with serious mental illness or co-occurring disorders who are at or below 100% of current Federal Poverty level and are uninsured.”

Both current RGBHS subcontractors are certified “Psychiatric Rehabilitation” providers for both the RCC and Medicaid and “Licensed Community Mental Health Centers”(CMHC). They have experience and expertise in the provision of the services *presumably* referenced in this bill. (See technical issues for concerns in this regard). Both were site visited by the DOH

Division of Health Improvement Quality Management Bureau in FY 01 and were found in substantial compliance with RCCP standards and their licenses as CMHC's were also renewed.

However, as currently drafted, the bill's provider requirements appear to rule out entities that currently provide services in Dona Ana County. For example, although the bill specifies a provider with CARF accreditation, several other accrediting bodies are appropriate and recognized by other payers in New Mexico. The Department is concerned about being constrained to purchasing services from narrowly specified potential providers that may lack experience, cultural competence or working knowledge of the county residents.

While the Behavioral Health Gap Analysis done in 2002 supports the need to address co-occurring disorders, statewide and in Dona Ana County, the narrow focus and ambiguous terminology of this bill could present significant problems in appropriately allocating the funds to a suitable provider.

### **AMENDMENTS**

- Include definitions for: "assertive integrated community-based psychosocial treatment and rehabilitation program" and "co-occurring disorders."
- Delete language specifying "statewide provider" accredited by CARF.

### **POSSIBLE QUESTIONS**

Could the appropriation be directed to enhance current services for the mentally ill and persons suffering from co-occurring disorders in Dona County?

**BD/yr**