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FISCAL IMPACT REPORT

SPONSOR Boykin DATE TYPED 2/17/05 HB 570

SHORT TITLE Dona Ana Behavioral Health Services SB _____

ANALYST Hanika-Ortiz

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$2,550.0			Recurring	General Fund

Duplicates HB 522 and SB 453

Relates to HB 296

SOURCES OF INFORMATION

LFC Files

Responses Received From

Health Policy Commission (HPC)

Department of Health (DOH)

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 570 appropriates \$2,550,000 from the general fund to the DOH in FY06 for behavioral health services for persons with serious mental illness in Dona Ana County and southern New Mexico.

The plan developed by the Local Behavioral Health Collaborative (LBHC) and approved by the Interagency Behavioral Health Purchasing Collaborative (IBHPC) and to be implemented by the Statewide Behavioral Health Entity, leverages resources, provides mobile crisis services, assertive community treatment (ACT) and residential treatment services.

Significant Issues

DOH reports HB 570 provides for a specialized continuum of intensive services to a high-risk group of persons with serious and persistent mental illness. ACT is for a group of people diagnosed with severe and persistent mental illness who have not responded well to more traditional

services, who experience the greatest impairment in functioning, who have the most severe difficulties with basic, everyday activities such as keeping themselves safe, caring for their basic physical needs, or maintaining safe and adequate housing. Extensive histories of hospitalization, unemployment, substance abuse, homelessness, and involvement in the criminal justice system are common. Programs that adhere more closely to the ACT model are more effective in reducing hospital use and associated costs. Like ACT, mobile crisis services require a freestanding team that has a singular mission.

PERFORMANCE IMPLICATIONS

HB 570 relates to the DOH Strategic Plan in Program Area 5 to increase access and choice for behavioral health services.

FISCAL IMPLICATIONS

The appropriation of \$2,550,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

The appropriation requested was not part of the agencies budget request reviewed by the LFC in 2004. Any LFC appropriation recommendation is balanced between revenues and expenditures and any increase in recurring funding must be offset by reductions in other areas. The Legislature must consider all priorities and funding requirements to find revenue to support this legislation.

The DOH reports ACT is a reimbursed expense under Medicaid. \$275 thousand will be used the first year to provide the state match for start up costs of an ACT program in Dona Ana County. The DOH further reports when teams adhere closely to the ACT program model costs are offset by reduced hospitalization costs, estimated at \$9,000 to \$12,000 per year per person. \$1.7 million would pay for the use of existing beds in local hospitals for inpatient services. \$300,000 would establish a short term crisis residential 12 bed program for intensive psychiatric support who do not meet the criteria for inpatient admission but need support before living independently. Funding will also be used for respite care of clients living at home and who, without access to respite care, might be at risk of losing their living arrangements. Mobile Crisis Services will also receive funding to support program costs.

ADMINISTRATIVE IMPLICATIONS

HB 570 requires the LBHC and the IBHPC to approve the planning and implementation process.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates HB 522 and SB 453, except for appropriation amount which is \$2 million.

Relates to HB 296, Dona Ana Short-Term Psychiatric Program, allocating \$2 million to the DOH for different services for the mentally ill in Dona Ana County, which are an assessment and treatment program, and a crisis residential program.

TECHNICAL ISSUES

None indicated.

OTHER SUBSTANTIVE ISSUES

The HPC reports on New Mexico Mental Health Statistics:

- The discharge rate per 100,000 population for Mental Disorders was 3.6 for New Mexico and 7.7 for the US.
- For the 18 and under age group for both males and females of 2001, Affective Psychoses ranked 2nd as the leading cause of hospitalization.
- For the 19-44 age group for males of 2001, Affective Psychoses ranked 1st as the leading cause of hospitalization and 5th for females.
- For the 45-64 age group for females of 2001, Affective Psychoses ranked 1st as the leading cause of hospitalization and 6th for males.

Department of Health:

- Over 500,000 individuals in New Mexico have substance abuse/dependence or mental disorders.
- It is estimated that in New Mexico, 19,025 youth and 131,112 adults (including 3,047 individuals in the state's jails and prisons) have substance use disorders.
- Approximately 25-35 percent of those New Mexicans with substance use and/or mental health disorders will need services from the publicly funded system of care.
- 368,721 individuals in New Mexico have some kind of mental disorder. 70,766 of these individuals have serious mental illness.
- Depression affects about 6 million elderly, and only 10% receive treatment.

Health Professional Shortages and Access to Care:

- New Mexico is experiencing a shortage of a wide range of health professionals to staff health care and mental health facilities resulting in long waiting lists or delays for consumers.
- Compounding the health professional shortage is the high number of uninsured New Mexicans, who must often wait to receive medical and mental health services from agencies that serve the uninsured and underinsured.
 - 21.3% of New Mexicans are uninsured
 - Research has shown 1 out of 5 Americans has a mental disability, which may include people with substance abuse illness. Many private health insurance plans provide less coverage for mental health problems than for medical health problems or no coverage at all, forcing consumers to pay out of pocket expenses.

Dona Ana County Facts:

- Dona Ana County is the state's second most populated county with a 2003 population estimate of 182,165.
- 20% of the county's families are below poverty.

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- 27.9% of the population are Medicaid enrolled; 12.2% are Medicare.
- The rate of hospitalizations for persons diagnosed with a mental disease or disorder in Dona Ana County was 7.3 in 2001 compared to the New Mexico rate of 5.2 (per 1,000).
- Average hospital days spent by Dona Ana County residents for mental disease treatment ranked 5th highest in the state and 13th highest for treatment of drug and alcohol dependency.

ALTERNATIVES

None identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

Dona Ana county and southern New Mexico citizens may be underserved in the area of mental health services.

AHO/yr:lg