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## FISCAL IMPACT REPORT

SPONSOR Jennings DATE TYPED 2-18-05 HB \_\_\_\_\_

SHORT TITLE NM Rehabilitation & Drug Treatment Center SB 790

ANALYST Woods

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$12,500.0			Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to the appropriation for Eastern New Mexico University in the General Appropriations Act.

#### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Health Policy Commission (HPC)

New Mexico Department of Health (DOH)

#### No Response Received From

New Mexico Commission on Higher Education (CHE)

#### SUMMARY

##### Synopsis of Bill

Senate Bill 790 – Making an Appropriation to the Board of Regents of Eastern New Mexico University for Planning, Design, Construction and Improvements for the New Mexico Rehabilitation and Drug Treatment Center – appropriates \$12,500,000 from the general fund to the Board of Regents of Eastern New Mexico University for expenditure in FY06 to plan, design, construct and improve a New Mexico rehabilitation and drug treatment center in Roswell. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

Significant Issues

DOH indicates that the New Mexico and Rehabilitation Center (NMRC) provides medical rehabilitation and chemical dependency services. It is the only state operated safety net medical rehabilitation facility in New Mexico. As a result, the facility accepts and treats New Mexicans from throughout the state, regardless of their ability to pay. The chemical dependency service is one of three state-operated and funded facilities in New Mexico. NMRC's chemical dependency services focus primarily on the treatment needs of the people in the Southeastern area of the state, although it accept patients in need of care from throughout the New Mexico.

DOH indicates that the New Mexico and Rehabilitation Center (NMRC) facility is in very poor repair. In 2004 a site assessment was completed by two independent architectural consultants who concluded that, in its present condition, NMRC would require over \$10 million in repairs, and a replacement cost of approximately \$13 million.

HPC observes that perhaps the most significant aspect of this legislation is the element that provides the appropriation to ENMU rather than DOH – this in light of the fact that DOH currently operates the Roswell NMRC.

This program was not included in the CHE's *2005-2006 Higher Education Funding Recommendation*.

**PERFORMANCE IMPLICATIONS:**

DOH indicates that this legislation is consistent with the department's strategic plan, program area 5: *Behavioral Health Services, Strategic Direction: Increase access and choice for behavioral health services.*

**FISCAL IMPLICATIONS**

The appropriation of \$12,500,000 contained in this bill is for construction and is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

**ADMINISTRATIVE IMPLICATIONS**

DOH indicates that the existing NMRC hospital would be relocated to the new site.

Eastern New Mexico University will retain oversight of this program.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to the appropriation for Eastern New Mexico University in the General Appropriations Act.

**OTHER SUBSTANTIVE ISSUES**

DOH suggests that this legislation would permit NMRC to occupy a new building near the university, which would promote a closer relationship to the Eastern New Mexico University (Ros-

well) health sciences programs. There would be the opportunity to support student experiences in the hospital setting for the following programs: Nursing, Nursing Assistants, Occupational Therapy, EMS, Respiratory Therapy, Medical Assistants, Limited Radiography, Dental Assistant/Hygiene, Dental Residency (with UNM), phlebotomy, medical transcription, coding, and pharmacy techs. In addition to providing for NMRC patient services, the new facility would also provide for formal training experiences in health sciences to New Mexicans who would help to staff critical shortages in this industry.

As background, HPC advises that the current NMRC in Roswell is a 41 bed, JCAHO accredited, specialty hospital operated by the Department of Health. 21 of the beds are for medical rehabilitation services and the balance for addiction treatment. The 20-bed inpatient program has been expanded to assist clients with co-occurring disorders who are suffering from addiction as well as mental illness.

HPC also notes that the current building is aging and is in need of being modernized. And although this legislation directs the monies to ENMU rather than DOH, the need for a more current facility would be the case regardless of who operates the facility. Also, modalities for addiction treatment have progressed over the last decade to be largely outpatient focused. The current facility, besides its age limitations, would need a significant amount of remodel or new construction to be current with 2005 program therapeutic requirements.

With respect to service demand, HPC indicates that the *2003 New Mexico Social Indicator Report* published by DOH showed that Chaves County had the 9th highest alcohol and drug related death rate of New Mexico's thirty-three counties. The rates measured are for 1999 to 2001 and are age-adjusted rates per 100,000 population. Similarly, Chaves County had the 8th highest drug related death rate and the 7th highest drug and alcohol related hospitalization rate in the state. e

HPC adds that demand for NMRC's services would primarily come from Chaves County but would also come from Lea, Eddy, Otero, Lincoln, Roosevelt, Curry and De Baca Counties. Hospitalization rankings for those counties were 10th, 12th, 18th, 23rd, 30th, 31st and 32nd respectively.

BFW/yr