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FISCAL IMPACT REPORT

SPONSOR Sharer DATE TYPED 2-10-05 HB _____

SHORT TITLE Farmington-Area Substance Abuse Services SB 801

ANALYST Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$200.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 80

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 801 appropriates \$200 thousand from the general fund to the Department of Finance and Administration for the purpose of contracting in FY05 and FY06 with the City of Farmington for behavioral health care services to individuals who have substance abuse problems. Any unencumbered balance at the end of FY06 will revert to the general fund. The bill contains an emergency clause.

ADMINISTRATIVE IMPLICATIONS

DFA indicates its Local Government Division cannot administer the appropriation as proposed and does not possess the staff required to provide the oversight of a contract for behavioral health services. The Behavior Health Services Division of DOH currently oversees contracts dealing with behavioral health services and could provide oversight required for such a contract.

FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a recurring expense to the general fund due to loss of federal Health Resources and Services Administration Grant (HRSA) funding. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

There is an existing program, Totah, administered through the City of Farmington that provides services to Native Americans. The funding to Totah by a federal HRSA grant is no longer available. DFA notes the Totah program in Farmington operates on a bare bones budget and unless the program receives emergency funding of \$200 thousand by April 2005, Totah will be forced to close its doors.

Totah's FY05 budget of \$649,889 is comprised of contributions from the Navajo Nation, City of Farmington, County of San Juan and a 2005 legislative appropriation of \$175 thousand to DOH.

OTHER SUBSTANTIVE ISSUES

The Department of Health notes the Farmington area has a high incidence of substance abuse, especially among the Native American population.

Substance abuse services in the Farmington area are currently provided through the Region 1 Regional Care Coordinator, Presbyterian Medical Services, and the Navajo Nation Department of Behavioral Health. The City of Farmington's Totah program collaborates with the Region 1 Regional Care Coordinator, the Navajo Nation Department of Behavioral Health and the Na'nizhoozhi Center. Totah was selected over other providers to assist inebriates in obtaining long-term treatment for chronic problems associated with substance abuse. The other provider, Four Winds Treatment Facility operates like a "revolving door treatment facility," which does not provide treatment for chronic problems associated with substance abuse and has provided treatment to some clients in excess of 500 times.

DFA notes Totah has provided case management behavioral health services for three years to a street inebriate population, of which 93 percent are Navajo, single, middle aged men and who do not meet eligibility criteria for Medicaid. Furthermore, Totah provides services to individuals of the North East Navajo Nation, Farmington and San Juan County area.

DFA indicates the program serves an average of 89 clients per month and the program successfully referred 116 clients (17 percent of the target population) to long-term inpatient treatment for addiction. Additionally, inpatient treatment ranges between 28 and 180 days, averaging approximately 84 days. DOH reimburses acute residential addiction treatment at \$400 per day or \$33,600 for the average 84-day stay. If these costs were borne by the community, it would have cost an additional \$3.9 million.

Additional substance abuse services to individuals in the Farmington area would enlarge the service capacity and possibly offer a wider choice of providers and/or services to the population.

DFA notes the bill would provide gap funding to continue the behavior health services currently provided in the San Juan County area. This additional revenue, coupled with the request for increased matching funds from the Navajo Nation, County of San Juan and City of Farmington

will result in a decrease in the dollar amount of future appropriations requested from the legislature.

ALTERNATIVES

DOH suggests, rather than appropriate funds to DFA, consider providing the funds to the Behavioral Health Purchasing Collaborative, headed out of the Human Services Department. The collaborative would then be responsible for contracting with community programs, like those in the Farmington area. The infrastructure is in place through the Behavioral Health Purchasing Collaborative to identify, develop, administer and monitor the services funded with this allocation.

KBC/njw