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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/01/08

SPONSOR Salazar, N. LAST UPDATED \_\_\_\_\_ HB 393

SHORT TITLE Restore Behavioral Health Programs & Services SB \_\_\_\_\_

ANALYST Hanika-Ortiz

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$4,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to an Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Human Services Department (HSD)

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Bill 393 appropriates \$4 million from the General Fund to HSD for FY09 to restore and provide continuation and stabilization of substance abuse and mental health services in NM. The services identified include prevention, intervention and inpatient and outpatient treatment of substance abuse and mental illness; crisis response programs; juvenile justice services; intensive case management; intensive outpatient services; opioid replacement therapy; psychosocial rehabilitation; transitional living; psychiatric services for infants, youth and adults; and any other services that were discontinued or reduced due to redirected funding in prior fiscal years.

### FISCAL IMPLICATIONS

The appropriation of \$4 million contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall revert to the General Fund.

Agencies report that in 2004, legislation was enacted that created the Behavioral Health Purchasing Collaborative (BHPC). The collaborative model called for combining all sources of behavioral health funding to create a less fragmented system which would provide quality services. HB 393 reinstates the previous funding system for diverse behavioral health programs if those programs were discontinued or reduced. HB 393 creates a parallel system of funded programs which would not be connected to the behavioral health service system, which is currently being implemented.

This particular appropriation is not included in the Governor’s Executive Budget. The Executive Budget recommendation includes a General Fund appropriation to contract for substance abuse and mental health prevention and intervention services statewide.

### **SIGNIFICANT ISSUES**

Agencies report the BHPC has contracted with a single, statewide entity, Value Options, to provide the array of services listed in HB 393. Standard definitions of behavioral health services and requirements for best practices are currently in place through this statewide entity to assure that quality, appropriate and culturally sensitive services are delivered.

### **ADMINISTRATIVE IMPLICATIONS**

HSD currently purchases a majority of its behavioral health services through the Behavioral Health Purchasing Collaborative’s contract with ValueOptions New Mexico (VONM).

### **TECHNICAL ISSUES**

HSD reports the bill does not specify the programs to receive this appropriation and mixes together services for adults and children as well as mental health and substance abuse services.

The bill states that services are “now chronically under funded due to the redirection of funds to the administration of those programs in New Mexico”. HSD states that it is more accurate to say that services are under funded because appropriations don’t address the level of need as based on the “Behavioral Health Needs and Gaps in New Mexico, July, 2002.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Behavioral health services, both mental health and substance abuse services, will be funded at the level currently approved by the Legislature.

MW/mt