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FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/08
 LAST UPDATED 1/31/08 HB _____

SPONSOR Ulibarri

SHORT TITLE Cibola County Substance Abuse Treatment SB 334/aSPAC

ANALYST Wilson

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$10,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to but is not included in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Corrections Department (CD)

Department of Health (DOH)

Human Services Department (HSD)

SUMMARY

Synopsis of Senate Public Affairs Committee Amendment

SPAC amendment to SB 334 changes the appropriation's requirement from a substance abuse treatment facility in Cibola county to substance abuse services in Cibola and McKinley counties and a feasibility study for an appropriate substance abuse treatment facility in Cibola county.

The amendment also appropriates the funds to the Human Services Department instead of the Department of Health.

Synopsis of Original Bill

Senate Bill 334 appropriates \$10,000,000 from the general fund to the Department of Health for expenditure in fiscal year 2009 for a substance abuse treatment facility in Cibola County to service the northwest part of the state, including McKinley County.

FISCAL IMPLICATIONS

The appropriation of \$10,000,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

The fiscal impact on the Medicaid program is dependent on the actual services delivered, and the eligibility of the individuals receiving those services. Currently, Medicaid does not pay for adult residential substance abuse treatment and a limited amount of outpatient substance abuse treatment. However, a large number of New Mexicans experience co-occurring substance use disorders and mental illness. Therefore, the extent to which expenditures may be matched with federal Medicaid dollars is unknown.

HSD and DOH suggest that the appropriation, as currently written, will be made to DOH, but it may be more appropriate to have the money go to the HSD for administration by its Behavioral Health Services Division.

Appropriations for capital expenditures for a county-owned facility are typically submitted as part of a capital outlay request.

SIGNIFICANT ISSUES

Behavioral health programmatic expenditures are administered through the Interagency Behavioral Health Purchasing Collaborative (Collaborative), which ensures that contracts for treatment services are appropriate and effective. Both HSD and DOH are members of the Behavioral Health Collaborative and engaged in planning, implementing and monitoring services, including bed capacity throughout the state. DOH has responsibility for licensing of a variety of facilities in New Mexico.

The nature of this treatment facility in this bill is not specified. The services to be provided are not specified so their effectiveness cannot be evaluated. Although SB334 does not specify whether the facility is meant to provide services to children, adolescents or adults, the state substance abuse authority is Behavioral Health Services Division within the HSD. If the facility is meant to serve children, the analysis of Children, Youth and Families Department should be additionally considered.

DOH notes that the bill is unclear regarding its purpose(s): is the appropriation for programmatic activities or for capital outlay.

CD states it is possible that this bill could ultimately benefit the CD fiscally. The available substance abuse treatment may lead to fewer drug and alcohol-related crimes and convictions in that part of the state. It may also provide individuals on parole or probation with the resources needed to reduce their likelihood of committing new crimes or violating their conditions of probation or parole. Thus, the bill could possibly decrease the prison population and probation and parole caseloads, but this is obviously very difficult to predict with certainty.

ADMINISTRATIVE IMPLICATIONS

DOH has responsibility for licensing of a variety of facilities in New Mexico. The nature of this treatment facility is not specified.

HSD staff would have to be involved in the implementation of the provisions of this bill.

DW/mt