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FISCAL IMPACT REPORT

ORIGINAL DATE 01/30/08

SPONSOR Rodriguez LAST UPDATED _____ HB _____

SHORT TITLE Clubhouse-Model Program for Mentally Ill SB 388

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)
Health Policy Commission

SUMMARY

Synopsis of Bill

Senate Bill 388 appropriates \$250 thousand from the general fund to The Human Services Department to support a day program for persons with severe mental illness using the clubhouse model to facilitate recovery through socialization and life skills training; vocational rehabilitation and employment services; educational and housing services; and reintegration into the greater community.

FISCAL IMPLICATIONS

The appropriation of \$250 thousand 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.

HSD reports that any behavioral health services provided to Medicaid-eligible individuals would be eligible for federal match if the following criteria are met:

- The service must be a benefit under the NM Medicaid State Plan.
- The provider must be credentialed as a Medicaid provider for that service as part of the

ValueOptions New Mexico provider network; and

- The provider is providing services in accordance with his or her licensure.

SIGNIFICANT ISSUES

HSD provides the following background information.

The clubhouse model of psychosocial rehabilitation (PSR) is nationally acknowledged as promoting recovery and resiliency. According to the International Center for Clubhouse Development website, “Through participation in a Clubhouse, people are given the opportunities to rejoin the worlds of friendships, family, important work, employment, education, and to access the services and supports they may individually need.”

As of January 2008, in New Mexico stand-alone programs of this type serving Medicaid-eligible individuals may bill Medicaid for group-based services, such as life skills training. One-on-one services that were once a part of PSR will now be provided as a part of comprehensive community support services.

There is not yet a clubhouse-model program in New Mexico outside of a developing program in Santa Fe.

The Health Policy Commission contributes additional information.

The bill will provide a “clubhouse” facility where persons with serious mental illness can go for societal, occupational, and interpersonal needs and to form linkages with sources of care elsewhere to meet the person’s medical and psychiatric needs. This model will assist the increasing number of serious mental illness patients make a transition back into society.

The basic premise of the model is that when necessary and cost-effective supports are provided to persons with severe mental illness, the cost of their medical and psychiatric care decreases and their quality of life increases. This model could reduce some of the overburdened medical facilities in New Mexico.

The cost of mental health is expensive and sometimes prohibited. The reliance on public assistance could place a financial drain on the state of New Mexico. However, most states allow Medicaid reimbursement for clubhouse services or include clubhouse services as part of a capitated Medicaid plan.

OTHER SUBSTANTIVE ISSUES

Beginning in FY08 there is a recurring appropriation to the Behavioral Health Services Division of \$30 thousand from the general fund for this purpose.

MW/mt