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FISCAL IMPACT REPORT

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ORIGINAL DATE 2/8/2015
LAST UPDATED 2/11/2015 **HB** _____

SPONSOR Beffort

SHORT TITLE Expand Behavioral Health Treatment **SB** 154/aSPAC

ANALYST Hartzler

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
\$1,000.0	0.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$1,000.0	\$0.0	\$1,000.0	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act, Section 4J Higher Education, University of New Mexico Health Sciences Center, Hepatitis Community Outreach Program

Relates to Appropriation in the General Appropriation Act, Section 4F, Human Services Department, Behavioral Health Services

Relates to SB 479, Project ECHO Appropriation

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Legislative Health and Human Services Committee endorsed SB 154.

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SOURCES OF INFORMATION

LFC Files

Responses Received From

University of New Mexico Health Sciences Center (UNM HSC)

Department of Health (DOH)

Human Services Department (HSD)

Higher Education Department (HED)

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment to Senate Bill 154

- Reduces the general fund appropriation from \$12 million to \$1 million,
- Limits the funds to expenditures in FY15 and FY16, and
- Narrows the scope of the appropriation so that funds are used for a pilot project targeting clinics in communities with the greatest need for behavioral health services by using UNM's Project Extension for Community Healthcare Outcomes (ECHO) model. The original bill had required establishing programs in 20 community clinics.

Synopsis of Bill

SB 154 appropriates \$12 million from the general fund to UNM to expand access to behavioral health and substance use disorder treatment through training and support of the primary care workforce in 20 community clinics using the UNM HSC's Project Extension for Community Healthcare Outcomes (ECHO) model. The appropriation is for expenditure in 2015 through 2020, and which time any balance shall revert to the general fund. The bill contains an emergency clause.

FISCAL IMPLICATIONS

The appropriation of \$12 million contained in this bill is a nonrecurring expense to the general fund. The appropriation may be expended between FY15 to FY20. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund.

Without benefit of a full budget for the entire appropriation, broken down by each of the 20 clinics, Project ECHO reports that \$5 million of the total appropriation in SB 154 will go directly to community health centers. The funds will be used to support salaries of practioners who conduct behavioral health screening and subsidize the salaries of teams of practioners who guide the primary care practioner in his or her treatment of individual patients. Project ECHO proposes to use the appropriation to

- expand its model of using professional experts to train small teams of primary care providers in various locations so that the team can provide better care and treatment to the patients.
- Provide annually, an 8-hour training available to all New Mexico primary care practioners.
- Provide continuing medical education about best practices in screening, diagnosis, and treatment of behavioral health disorders (BHDs) and substance abuse disorders (SUDs).

While Project ECHO does not provide direct services to patients, or billable activities, the practioners receiving training can expand billable services. Project ECHO reports that the nurse practioner or physician assistants who receive sufficient behavioral health training and gain certification can bill for services. The program has proposed working on legislative or policy changes to allow community health workers to bill services as community support workers who are able to bill through the state's peer support worker program.

It is possible the appropriation in SB 154 would either duplicate existing efforts to train practioners to improve mental health screening and treatment or that existing funding could be used to incorporate the Project ECHO approach.

HSD reports that it receives state and federal funding to provide the services proposed in SB 154,

though not necessarily using the Project ECHO model. Where the appropriation to fund Project ECHO teams would be used for screening individuals who may have BHDs or SUDs, HSD's Behavioral Health Services Division is using federal funds to add screening and brief intervention and referral to treatment (SBIRT) in health clinics. Where Project ECHO would receive additional funding to provide training to health practioners, HSD has contracted with UNM's Department of Psychiatry's Division of Community Behavioral Health to provide community consultation, practioner training, services research and evaluations, and direct health services. In addition, this UNM department serves as the Consortium for Behavioral Health Training and Research (CBHTP) partner overseeing training, providing health practioners and patients with access to psychiatric telehealth services and consultation. HSD reports that will spend an estimated \$500 thousand in FY15 to provide services through the Consortium.

Further, DOH notes that UNM "has a current project to provide five, one-hour telehealth webinars targeted to train primary care and school based health care center providers in the core competencies of SBIRT and provide continuing education units for up to 50 participants."

SIGNIFICANT ISSUES

There is a well-documented need in New Mexico for having more skilled practioners in behavioral health areas and for broadening the availability of services provided to individuals needing treatment.

DOH reported information on the healthcare issues in New Mexico that could be addressed by efforts funded in SB 154.

New Mexico has the highest alcohol-attributable death rate in the nation (Stahre M, Roeber J, Kanny D, Brewer RD, Zhang X. Contribution of excessive alcohol consumption to deaths and years of potential life lost in the United States. *Prevention of Chronic Disease*. 2014;11:E109). New Mexico also has third highest drug overdose death rate in the nation and the fourth highest suicide rate in the nation (CDC 2012 Underlying Cause of Death File, wonder.cdc.gov). American Indians have the highest alcohol related death rate in New Mexico. New Mexico has a higher alcohol related death rate as compared to the United States: 56.6 per 100 thousand in New Mexico, as compared to 28.0 per 100 thousand in the United States. Hispanics and Whites have the highest drug overdose death rates. New Mexico has a higher drug overdose rate as compared to the United States: 23.9 per 100 thousand in New Mexico as compared to 13.2 per 100 thousand in the United States. (*Health Equity in New Mexico: A Report on Racial and Ethnic Health Disparities, 9th Edition, December 2014*).

According to HSD,

New Mexico has a significant shortage of clinicians who provide behavioral health services, especially in rural and frontier areas of the state. Every county in NM includes at least one community designated by the federal government as a behavioral health professional shortage area. Nationally, health clinics are beginning to screen and refer individuals for behavioral health care as an efficient way of getting high-end BH services to those who need them. A challenge for NM is that when primary care clinics identify a person in need or care and make a referral for specialized behavioral health assessment or services, few qualified BH clinicians are available.

In addition, the department cited collaborative efforts to address the shortage of behavioral health practitioners and coordinate care.

For a decade, the Interagency Behavioral Health Purchasing Collaborative (Collaborative) has worked to bring state agencies – representing agencies from health care to finance – together to build an innovative, cost-effective, united-agency system that addresses mental health and substance abuse needs in New Mexico.

- A 2002 Gaps and Needs Analysis pointed out the need for a more responsive, integrated behavioral health system that would support communities and people living with mental illness and substance use disorders.
- Legislation for the Collaborative was signed into law, in 2004. Leaders from 16 state agencies began working together building a family-focused and individually-centered behavioral health care system with services that would foster an individual's capacity for recovery and resiliency.
- The legislation requires the Collaborative to develop a delivery system of culturally relevant behavioral health services for infants, children, adolescents, adults and seniors. The delivery system must be accessible from urban, rural and frontier locations. The delivery system must also address workforce development and retention, including quality improvement issues.

The legislation also requires the Collaborative to meet quarterly; report to the LFC quarterly and annually on measures and outcomes; and revise the delivery system plan every two years.

PERFORMANCE IMPLICATIONS

Project ECHO submits performance results to HED as part of the annual budget process. Should SB 154 be enacted, additional measures targeting the specific purposes of the appropriation, by clinic, should be developed, perhaps including the number of certified practitioners over time and tracking billable services per newly trained practitioner.

RELATIONSHIP

Given the resources spent on behavioral health and the high need of services, it may be possible to better coordinate the tools used to provide practitioner training and deliver health care.

OTHER SUBSTANTIVE ISSUES

UNM HSC notes

This is a healthcare emergency and one that needs to be addressed through a concerted effort to improve mental health services and expand the workforce capacity in this area. By leveraging Project ECHO's existing work in this area and the proven healthcare workforce training model, the Legislature of the State of New Mexico can support a program that will improve quality of life, safety and healthcare for millions of New Mexicans and their families. Mental health concerns in rural communities may go untreated either due to a lack of routine screening or due to a lack of available treatment providers. For many in rural areas, traveling to Albuquerque, Santa Fe or other large cities for mental healthcare is not an option due to the stigma associated with obtaining

care. This program will work to address the stigma by integrating routine screening into patient care and also by training primary care clinicians to provide the care within their own communities, ensuring that those in need receive the right care, at the right place, at the right time with a provider that is familiar with the community. Rural New Mexicans facing mental health and substance use disorder challenges will no longer have to travel to obtain the care and the overall health and quality of life for these New Mexicans and their families will improve.

There is substantial evidence that integration of physical and behavioral health is highly cost effective, with collaborative primary care for depression and anxiety returning \$11-32 for every dollar spent on services (Results First, Evidence-based options to improve outcomes, NM Legislative Finance Committee 2014).

ALTERNATIVES

HSD states that it continues to work with several health clinics to develop behavioral health expertise in the SBIRT pilots. UNM's CBHTR continues to provide training to health practitioners across the state in behavioral health services. Further, HSD is encouraging Medicaid managed care organizations to expand the integration of behavioral health expertise, of which Project ECHO received \$850 thousand contract funding in FY15 for this purpose.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Work by HSD and other agencies will continue state and federally-funded efforts.

POSSIBLE QUESTIONS

- Are the methods funded by HSD as cost-effective as those provided by Project ECHO?
- What is the status of Project ECHO and others seeking changes in law and regulation to allow physician team consultations to be a billable service as part of a patient's care?
- What is the level of coordination and collaboration between UNM's Department of Psychiatry's Division of Community Behavioral Health in providing training and continuing medical education credits in the areas targeted in SB 154? Can efficiencies be gained or state funding be leveraged for additional support?

TH/aml/bb