

LFC Requestor: Kelly Klundt

2024 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS

Section I: General

Chamber: Senate

Category: Bill

Number: SB032

Type: Introduced

Date (of THIS analysis): January 19, 2024

Sponsor(s): Gerald Ortiz y Pino and Siah Correa Hemphill

Short Title: Boarding For Certain Health Discharges

Reviewing Agency: Agency 665 - Department of Health

Person Writing Analysis: Arya Lamb

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 24	FY 25		
250.0(plus\$119,189 HCA/BHSD)	\$119,189 HCA/BHSD	NR	General Fund (to DOH)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 24	FY 25	FY 26		
\$0	\$0	\$0	N/A	N/A

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 24	FY 25	FY 26	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$119,189 HCA/BHSD	\$119,189 HCA/BHSD	\$119,189 HCA/BHSD	\$357,567 for HCA/BHSD	Recurring	SGF

Section III: Relationship to other legislation

Duplicates: none

Conflicts with: none

Companion to: none

Relates to: none

Duplicates/Relates to an Appropriation in the General Appropriation Act: none

Section IV: Narrative

1. BILL SUMMARY

a) Synopsis

Senate Bill 32 (SB 32) adds a new section to the Public Health Act to require the Department of Health (DOH) to establish rules on paying licensed boarding homes, including documentation requirements and fraud prevention. DOH is to pay licensed boarding homes \$200 per month for housing a person discharged from the New Mexico Behavioral Health Institute at Las Vegas or the UNM Adult Psychiatric Center. The bill appropriates \$250,000 from the general fund to DOH to pay for boarding homes beginning January 1, 2025.

The intent of this bill is to encourage and expand access to care by licensing additional boarding homes in New Mexico. Currently the division of health improvement licenses three boarding homes in New Mexico. In 2022 and 2023 the division of health improvement has identified approximately forty (40) unlicensed boarding homes. This bill intends to address one of the barriers to licensing, by offering payment for services. Currently there is no state funding for operating a boarding home facility. The intent of this bill by offering payment of two hundred dollars per month, for persons meeting criteria would be to expand licensed board home providers, ensuring that residents live in a safe environment.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

Paragraph C of the bill may need to be amended to reflect that the Division of Health Improvement is now part of the Health Care Authority (HCA): "For the purposes of this section, "boarding home" means a facility licensed by the Health Care Authority department of health as a boarding home.

The appropriation is for FY2025, but SB32 directs payments to begin on January 1, 2025, six months into the fiscal year. Providing only six months of payments. SB32 does not extend beyond FY25 and is not recurring.

In addition, as the state regulatory and licensing authority, the division of health improvement does not have the ability to issue payments or vouchers to healthcare facilities, including licensed boarding homes. The health care authority would need to contract with a third-party vendor to establish a supportive housing voucher program, similar to other programs provided by the HCA.

SB32 does not include an additional appropriation to support the administrative costs of personnel for issuing payments or housing vouchers, and the cost of a third-party administration for the program.

The division of health improvement has identified approximately forty unlicensed boarding homes operating in New Mexico which house approximately 300 residents, however not all residents that reside in boarding homes were directly discharged from NMBHI and UNM adult psychiatric center to the boarding home. SB32 does not identify if eligibility for the voucher would include residents that receive or have received psychiatric services, including inpatient psychiatric services but were not directly admitted to the boarding home from an inpatient psychiatric hospital.

2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?
 Yes No

The division of health improvement currently licenses boarding homes. This funding will be an incentive for unlicensed boarding homes to seek licensure, expanding access to services and the need for additional oversight by the division of health improvement to ensure safety and compliance.

This bill relates to the following division of health improvement strategic goals: expanding equitable services for all New Mexicans, ensuring safety in New Mexico healthcare environments, and improving the health status for all New Mexicans.

- Is this proposal related to the NMDOH Strategic Plan? Yes No
 - Goal 1:** We expand equitable access to services for all New Mexicans
 - Goal 2:** We ensure safety in New Mexico healthcare environments
 - Goal 3:** We improve health status for all New Mexicans
 - Goal 4:** We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

3. FISCAL IMPLICATIONS

SB 32 makes an appropriation to DOH to make payment to boarding homes that meet licensing requirements and pending rules to be established by the department. The Medicaid program does not currently pay for room and board to boarding homes. Thus, this bill has no impact to the Medicaid program.

SB 32 may have administrative implications for HCA/BHSD as we collaborate on the Request for Applications (RFA), Request for Information (RFI), Request for Applications (RFA) needs to be issued to a selected vendor to issue the vouchers as HCA/DHI does not currently have a vendor or process to issue these vouchers. This would require 1 pay band 65 to oversee the allocation and monitoring of the vouchers and 1 pay band 70 to oversee the RFA/RFP/RFI process and develop and implement to contract with the RFA/RFP/RFI awardees for HCA/BHSD. These staff would collaborate HCA/DHI in planning to issue a Request for Proposal (RFP) or Request for Application (RFA), convene a committee to score the applications. Staff time would also be used to ensure that HCA carries out the RFA as per the parameters in the legislation. This would be a total of \$119,189 for salary, fringe benefits and operating cost for HCA/BHSD.

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Title	Range	Hourly rate	Annual Salaries	Insurance Rate Bi-weekly	Group Insurance	PERA	FICA	RHC	Total Benefits	TOTAL Cost	FFP*	GF Need	FF Need	Notes																																								
	65	\$ 22.40	\$ 29.12	\$ 35.94	\$ 1,792	\$ 2,330	\$ 2,867	\$ 46,592	\$ 60,570	\$ 74,547	50%																																											
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TOTAL Personnel / Benefits			29	35.84	1,792	2,330	2,867	46,592	60,570	74,547		-	-	74,547																																								
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Cost for promulgating rule

# of FTE	Division	Title	Range	Hourly rate	Annual Salaries	Insurance Rate Bi-weekly	Group Insurance	PERA	RCA	RHC	Total Benefits	TOTAL Cost	FFP**	GF Need	FF Need	3 month cost @25%	Notes
1	DHI	GEN I	99	49.88	103,700.00	183.87	4,300	20,000	7,900	2,100	34,800.00	139,000	60%	89,000	89,000	34,600	
1	DHI	ATTORNEY 3	LH	47.08	98,800.00	183.87	4,300	18,900	7,500	2,000	32,700.00	131,000	60%	86,600	86,600	32,760	
1	DHI	AJO II	86	46.66	96,100.00	183.87	4,300	18,300	7,300	1,900	31,800.00	126,900	60%	83,460	83,460	31,725	
0	Rule posting, registration & hearing of fee											16,000.00	60%	8,000	8,000	18,000	
3	TOTAL Personnel / Benefits				237,100	491.01	12,900	57,200	22,700	6,000	99,800	411,500		205,950	205,950	114,575	TOTAL Rule Promulgation costs
	Other Operating Costs:				DBF person	1 fte	GF	FF									TOTAL Rule Promulgation costs
	542100 - Instate M & F				200	600	300	300									
	542200 - Instate M & L				400	1,200	600	600									
	544100 - Office Supplies				8,000	24,000	12,000	12,000									
	544900 - Invent Exempt				4,000	12,000	6,000	6,000									
	568600 - Telecomm				2,800	8,400	4,200	4,200									
					15,400	46,200	23,100	23,100									

An additional cost for a third-party contract administrator for the program will cost \$62,500.00.

Estimated total cost of Implementation: \$252,022.00

- If there is an appropriation, is it included in the Executive Budget Request?

Yes No N/A

There is an appropriation for residents but not the department of health for administering the program.

- If there is an appropriation, is it included in the LFC Budget Request?

Yes No N/A

- Does this bill have a fiscal impact on NMDOH? Yes No

4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH? Yes No

HCA/BHSD would need to hire additional staff to collaborate with HCA/DHI on the planning and issuance of a RFA/RFP/RFI as well as scoring the applications.

The division of health improvement will have an increase in workload to license and oversee additional boarding home facilities in New Mexico. The health care authority will also have an increase in processing supportive housing vouchers and payment processing.

5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None

6. TECHNICAL ISSUES

Are there technical issues with the bill? Yes No

Throughout the bill it refers to the department of health, and with the move of DHI to the HCA effective July 1, 2024 the appropriation may need to be directed to health care authority department.

7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written? Yes No
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)? Yes No
- Does this bill conflict with federal grant requirements or associated regulations?
 Yes No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs? Yes No

8. DISPARITIES ISSUES

SB32 supports persons who have received services at the New Mexico Behavioral Health Institute (NMBHI) at Las Vegas or the university of New Mexico adult psychiatric center, who seek to reside in a licensed boarding home and provide the boarding home with a monthly payment of \$200 each month the eligible resident resides in the licensed boarding home, but does not include residents that receive or have received psychiatric services, including inpatient psychiatric services but were not directly admitted to the boarding home from an inpatient psychiatric hospital.

8. HEALTH IMPACT(S)

SB32 supports persons who have received services at the New Mexico behavioral health institute at Las Vegas or the university of New Mexico adult psychiatric center, who seek to reside in a licensed boarding home and provide the boarding home with a monthly payment of \$200 each month the eligible resident resides in the licensed boarding home, but does not include residents that receive or have received psychiatric services, including inpatient psychiatric services but were not directly admitted to the boarding home from an inpatient psychiatric hospital.

10. ALTERNATIVES

None

11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

No funding will be available to pay for resident housing. Boarding homes will have no incentive to become licensed in the state of New Mexico and come into compliance with state licensure requirements. Residents may be at risk of living in an unlicensed boarding home.

12. AMENDMENTS

None