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FISCAL IMPACT REPORT

ORIGINAL DATE 02/23/11

SPONSOR Rodriguez LAST UPDATED _____ HB _____

SHORT TITLE Santa Fe Substance Abuse Program Approp SB 493

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Human Services Department (HSD)

Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of Bill

Senate Bill 493 appropriates \$500.0 from the general fund to provide operating funds for a substance abuse program in Santa Fe.

FISCAL IMPLICATIONS

SB493 appropriates \$500.0 from the general fund in FY12. Any unexpended or unencumbered balance remaining at the end of FY12 shall revert to the general fund.

The House Appropriations and Finance Committee substitute for House Bills 2, 3, 4, and 6 contains funding within the Human Services Department's budget for substance abuse programs.

Because this appropriation would be used for operating costs, not direct services, federal Medicaid match would not be available. In order for state general fund dollars to be eligible for a federal match, all the following criteria must be met:

- The individuals receiving services must be Medicaid-eligible;
- The service must be a covered benefit under the NM Medicaid State Plan;
- The provider must be credentialed as a Medicaid provider of that service as part of the behavioral health statewide entity-contracted provider network; and
- The provider is providing services in accordance with the scope of his or her license.

Currently, the NM Medicaid State Plan pays for a narrow range of adult outpatient substance use treatment services.

SIGNIFICANT ISSUES

The Department of Health indicates DOH has transferred its behavioral health prevention program to the Human Services Department (HSD), so that the behavioral health treatment and prevention services would operate more cohesively. HSD may be a more appropriate department to receive this appropriation.

ADMINISTRATIVE IMPLICATIONS

If SB493 is passed, DOH would need to follow the New Mexico Procurement Code and prepare a request for proposals and then evaluate submissions received.

TECHNICAL ISSUES

While DOH is a member of the Interagency Behavioral Health Purchasing Collaborative (Collaborative), the Human Services Department (HSD) Behavioral Health Services Division (BSHD) is the Collaborative's administrative agency as well as the designated State Substance Abuse Agency. Any appropriations targeted to substance abuse agencies would more appropriately go through BSHD. Therefore, the bill could be amended to direct the funds to the Human Services Department instead of the Department of Health.

OTHER SUBSTANTIVE ISSUES

The Children, Youth and Families Department indicates analyses of existing substance abuse programs, particularly those linked to drug courts, whether juvenile or adult, have found a return on investment of up to 400% in prevention of criminal recidivism and/or additional costs to the public health infrastructure in the communities where these programs are run. New Mexico in particular needs substance abuse programs in the rural areas of the state, where the need for them often outpaces the availability.

The Department of Health indicates substance abuse is a problem in New Mexico. New Mexico has been among the top 3 states for drug-induced deaths since 1989 and also ranks first or second in the nation for alcohol related chronic diseases such as cirrhosis or chronic liver disease. (see *The State of Health in New Mexico 2011*).