F I S C A L I M P A C T R E P O R T

SPONSOR Papen **ORIGINAL DATE** 2/6/18 **LAST UPDATED** 2/10/18 **HB**

SHORT TITLE "Crisis Triage Center" Definition **SB** 220/aSPAC/aSFC/ec

ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Indeterminate	Indeterminate	Indeterminate	Indeterminate	Recurring	General Fund and Federal Matching Funds

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to 2015 House Bill 212

SOURCES OF INFORMATION
LFC Files

Response Received From
Human Services Department (HSD)
Department of Health (DOH)

Responses Not Received From
Department of Public Safety (DPS)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amendment adds an emergency clause to the bill, making its provisions effective immediately upon being passed and signed.

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment changes the words "short-term residential" to "nonresidential" in two locations in the bill, which thereby makes crisis triage centers able to care for patients whether they were made inpatients or not.

Synopsis of Original Bill

Senate Bill 220 changes the definition of "crisis triage center (CTC)" in Section 24-1-2 NMSA 1978. CTCs care for patients with behavioral health crises, sometimes as alternatives to incarceration. The current definition, encoded in 2015, required that CTCs be separate from inpatient hospitals and separate from an inpatient hospital's license. The main change that would take place with passage of Senate Bill 220 would be to permit CTCs to be part of an inpatient hospital and/or included within an inpatient hospital's license. In addition, the definition of CTC changes to state that they could provide "residential" as well as "short-term residential" stabilization. Section 2 of Senate Bill 220 makes the same change in language in Section 27-2-12.20 to allow reimbursement for CTCs attached to inpatient facilities or covered by an inpatient facility's license.

FISCAL IMPLICATIONS

It is unlikely that there would be major funding implications to the state with passage of this bill, in that allowing crisis triage centers attached to inpatient facilities to receive reimbursement would likely result only in a shift of the locus of some care from centers not attached to inpatient institutions to centers attached to inpatient institutions. It is also possible that there would be higher costs for crisis care offset by lower costs for incarceration. DOH notes that there could be a reduction in drug overdoses, alcohol-related deaths, and suicides.

HSD comments that "It is likely that the bill's modified CTC definition will encourage establishment of CTCs offering outpatient care, as well as CTCs attached to hospitals. There will be an indeterminate impact on Medicaid reimbursement costs.

"In order for the Medicaid program to make payments to the Crisis Triage Centers, several requirements of the Centers for Medicare and Medicaid Services (CMS) would also have to be met… [HSD's enumeration of the steps towards meeting these requirements are included in "administrative implications," below.]

"Minnesota, which has a well-developed crisis triage center system, developed separate rates for each different facility based on facility cost. The daily rates vary greatly from facility to facility, from approximately $300 to over $900 per day. Using a single rate, which the bill seems to require, is typically more difficult to obtain CMS approval, but it is administratively simpler for the state.

"Using the Minnesota approach as a guide, it is clear that the costs to the Medicaid program will increase but other states with CTCs have generally anticipated very significant savings in other areas such as police and justice departments, and perhaps even with inpatient hospital costs."

RELATIONSHIP

Relates with 2015 House Bill 212, which directed the reimbursement of crisis triage centers but defined them as "not physically part of an inpatient hospital." Also related to numerous bills relating to suicide, including SB 168 and SB 172, each of which would provide education regarding suicide and the symptoms that might be seen prior to a suicide attempt.

ADMINISTRATIVE IMPLICATIONS

HSD notes that it will need to apply for a waiver from the Center for Medicaid and Medicare Services to be able to pay for services patients receive at CTCs:

> HSD would have to submit, and CMS would have to approve, an amendment to the Medicaid state plan to add the service and the reimbursement. Other states have received federal approvals for similar services so it is anticipated that New Mexico could also receive approval.
>
> However, CMS would also have to approve the rate at which a CTC would be paid. The language in the bill seems to assume that a public hearing in New Mexico would establish the rate and that Medicaid would pay these rates. However, HSD would have to justify any rates to CMS and use methodologies approved by CMS to calculate the potential rates to be paid.
>
> Also, for some payments, each facility would still have to meet CMS requirements. In order to include payment in the rate for accommodations (room, board, and other facility costs) the CTC would have to be certified by the national Joint Commission or other certifying organization. The state license alone is not sufficient.
>
> Rates would have to be developed for certified residential facilities, for non-certified residential facilities to not include payment for the facility accommodations, and for non-residential services. Developing rates for non-certified facilities would be advantageous so that a CTC could begin to receive some payments prior to completing any certification process. However, until certification is achieved, the payment rate may not be sufficient to cover all of their costs since the facility accommodation costs could not be covered under CMS rules.

TECHNICAL ISSUES

According to HSD, "The bill reference "residential" and "short-term residential", but both would be considered more than 24 hour stay in a facility. The bill should list non-residential services too. See proposed amendments below.

The Department of Health (DOH), which has licensing authority over Crisis Triage Centers, states that it has administrative rules ready to promulgate to license CTCs. DOH notes that the inclusion of both "residual" and "short-term residential" may give the impression that long-term residential care would be possible in CTCs, which "is not in keeping with the crisis stabilization model."

POSSIBLE AMENDMENTS

HSD and DOH recommend the following considerations:

The addition of an emergency clause to SB220 would allow DOH to move forward with the rulemaking process and begin licensing facilities after rule passage rather than waiting for the statute to take effect.

In both the Public Health Act and the Public Assistance Act, HSD recommends the following changes:
(2) provides stabilization of behavioral health crises [~~including~~] and may include residential and short-term <u>non-</u>residential stabilization; or
(2) provides stabilization of behavioral health crises [~~including~~] and may include ~~residential and~~ short-term residential stabilization

LAC/sb/jle