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FISCAL IMPACT REPORT

SPONSOR Martinez ORIGINAL DATE 2/04/19
 LAST UPDATED 2/26/19 HB _____

SHORT TITLE Substance Abuse Associate Reimbursement SB 207/aSf1#1

ANALYST Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		\$271.9	\$271.9	\$543.8	Recurring	General Fund
		\$976.1	\$976.1	\$1,952.2	Recurring	Federal Medicaid Matching Funds
Total		\$1,248.0	\$1,248.0	\$2,496.0	Recurring	General Fund, Federal Funds

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of SF1#1 Amendment

The Senate Floor amendment to Senate Bill 207 clarifies that a behavioral health agency employing a licensed substance abuse associate (LSAA) is the entity that will be reimbursed by Medicaid for the LSAA services as opposed to the LSAA directly receiving the reimbursement. The amendment also specifies that services provided by LSAAs can be reimbursed by Medicaid when they are complying with their scope of practice licensure requirements as well as being under clinical supervision.

Synopsis of Original Bill

Senate Bill 207 proposes the Human Services Department (HSD) adopt and promulgate rules allowing a Licensed Substance Abuse Associate (LSAA) to be reimbursed for certain services provided to Medicaid recipients within the LSAA scope of practice. The bill proposes Medicaid-

reimbursable services would include:

1. providing interventions directly to individuals, couples, families and groups;
2. employing practice theory and research findings;
3. providing screening, assessment, consultation, development of treatment plans, case management, counseling, referral, appraisal, crisis intervention, education, reporting or recordkeeping pertaining specifically to alcohol and drug abuse counseling;
4. providing generalist services in the role of educator, assistant or mediator;
5. taking a social history; and
6. conducting a home study.

FISCAL IMPLICATIONS

HSD indicates according to the Counseling and Therapy Practice Board, there are currently 251 LSAA's licensed in New Mexico, with some employed by agencies receiving Medicaid funds such as opioid treatment centers and methadone clinics, while others may be employed at facilities where Medicaid cannot pay, such as correctional facilities. The current Medicaid rate includes reimbursing for the services of a Licensed Alcohol and Drug Abuse Counselor (LADAC) or a LSAA.

HSD notes the bill's proposal that all LSAA's be reimbursed by Medicaid, even if they are working for a facility that does not qualify for Medicaid enrollment, could increase costs for the Medicaid program. The increased costs would primarily come from making payments to state, county, and community programs that employ supervised LSAA's.

To estimate the additional cost to the Medicaid program, HSD assumed that approximately 40 LSAA's would enroll as Medicaid providers, and the 40 LSAA's would provide 83,200 hours of service annually. If half of those hours were spent serving Medicaid eligible recipients (41,600 hours), and half of the services delivered were services that Medicaid could cover, then 20,800 hours of services rendered by these LSAA's would be payable. At \$60 per hour, HSD calculates the impact to Medicaid is estimated to be \$1,248.0 annually, in total state and federal funds, of which \$271.9 thousand would be from the general fund and \$976.1 thousand from federal Medicaid matching funds.

SIGNIFICANT ISSUES

The Regulation and Licensing Department (RLD) indicates the Counseling and Therapy Practice Board is currently working on proposed rule changes to require a Licensed Substance Abuse Associate (LSAA) to be under the direct supervision of an Independent Licensed Practitioner at all times. The LSAA cannot work independently, therefore, their services must be billed by the Independent Licensed Practitioner. The LSAA is a limited license.

Because the current rule for Licensed Substance Abuse Associates (16.27.13 NMAC) requires that the LSAA's practice under supervision at all times, that requirement must be followed in order for services to be reimbursed by Medicaid. CMS requires enforcement of state-level requirements regarding supervision of a provider in order to receive federal Medicaid matching funds.

TECHNICAL ISSUES

HSD notes page 1, lines 24-25, would allow LSAA's to be reimbursed for providing interventions directly to individuals, couples, families and groups. This language is broad and could extend to activities that are not appropriate for the LSAA's level of licensure and which do not qualify for Medicaid reimbursement.

HSD reports only some of the services listed in the bill are federally allowable for Medicaid reimbursement. Medicaid funding for case management is restricted to specific kinds of "targeted" case management, and educational services and mediator services are not reimbursable. In addition, some services are not paid for separately from the primary behavioral health service, such as making referrals, education, reporting, recordkeeping, and employing practice theory and research findings. Those activities are covered in the payment for the billed primary therapy or evaluation service.

OTHER SUBSTANTIVE ISSUES

HSD notes typically, a non-independent provider renders services, then the entity that employs the individual bills Medicaid for the services and then pays the employee and supervisor of the employee through a salary or contract arrangement. There are significant treatment advantages to following this current practice.

- Most individuals needing drug treatment also have behavioral health issues that can be addressed by a multidisciplinary group of practitioners employed by the behavioral health entities. The scope of services of the behavioral health entity is larger than what is available from the LSAA alone.
- It is typically the behavioral health entity that carries the business license and the malpractice insurance that a provider is required to have.

ALTERNATIVES

HSD indicates it is preparing to issue a Behavioral Health Supplement, that includes LSAA's among those licensed practitioners (whose scope of licensure does not allow him or her to practice independently) to be covered to the same extent as if rendered by a practitioner licensed for independent practice, when the supervisory requirements are met consistent with the practitioner's licensing board within his or her scope of practice and the service is provided through and billed by one of the provider agencies designated in the Supplement.

RAE/gb/sb