

LFC Requester:

Kelly Klundt

AGENCY BILL ANALYSIS
2024 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original x Amendment
Correction Substitute

Date 1/19/24

Bill No: SB32

Agency Name and Code HSD-630

Sponsor: Gerald Ortiz y Pino
Short BH Housing Appropriation
Title:

Number:
Person Writing Paoze Her
Phone: 505-709-7656 Email Paozez.her@hsd.nm.g

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Table with 4 columns: Appropriation (FY25, FY26), Recurring or Nonrecurring, Fund Affected. Row 1: 250.0 to 119,189 needed for staff positions at HCA/BHSD; \$119,189 for HCA/BHSD; NR; General Fund (to DOH)

(Parenthesis ( ) Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Table with 5 columns: Estimated Revenue (FY25, FY26, FY27), Recurring or Nonrecurring, Fund Affected. Row 1: 0, 0, 0

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	\$119,189 HCA/BHSD	\$119,189 HCA/BHSD	\$119,189 HCA/BHSD	\$357,589 for HCA/BHSD	Recurring	SGF

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

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.

**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.

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.

		520300				521100	521200	521300	521700						
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%	-	-		
	0	-	-	-	-	-	-	-	-	-	50%	-	-		
<b>TOTAL Personnel / Benefits</b>			<b>29</b>	<b>35.84</b>	<b>1,792</b>	<b>2,330</b>	<b>2,867</b>	<b>46,592</b>	<b>60,570</b>	<b>74,547</b>				<b>74,547</b>	
<b>Other Operating Costs</b>		<b>P&amp;L person</b>	<b>1 fte</b>	<b>GF</b>	<b>FF</b>										
542100 - Instate M & F	200	-	-	-	-	*Federal Match Rate if applicable, please enter % on this cell									
542200 - Instate M & L	400	-	-	-	-										
544100 - Office Supplies	8,000	-	-	-	-										
544900 - Invent Exempt	4,000	-	-	-	-										
546600 - Telecomm	2,800	-	-	-	-										
	15,400	-	-	-	-										
<b>TOTAL</b>		<b>74,547</b>													

  

INSURANCE - PRES SINGLE	
< \$50K	218.22
\$50K to \$99999	190.95
\$50K >	163.67

### Cost for promulgating rule

		520300				521100	521200	521300	521700								
# 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	\$ month cost @25%	Notes
1	DHI	GEN I	90	48.88	103,704.00	183.87	4,300	20,000	7,900	2,100	34,300.00	138,000	60%	88,000	88,000	34,600	
1	DHI	ATTORNEY 3	LH	47.08	88,900.00	183.87	4,300	18,900	7,500	2,000	32,700.00	131,000	60%	86,600	86,600	32,760	
1	DHI	A/O II	85	46.66	86,100.00	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 office										16,000	16,000	60%	8,000	8,000	16,000	
<b>TOTAL Personnel / Benefits</b>					<b>297,100</b>	<b>491.01</b>	<b>12,900</b>	<b>57,200</b>	<b>22,700</b>	<b>6,000</b>	<b>98,800</b>	<b>411,500</b>		<b>205,950</b>	<b>205,950</b>	<b>114,975</b>	<b>TOTAL Rule Promulgation costs</b>
<b>Other Operating Costs:</b>		<b>P&amp;L person</b>	<b>1 fte</b>	<b>GF</b>	<b>FF</b>												
542100 - Instate M & F	200	600	300			*Federal Match Rate if applicable, please enter % on this cell											
542200 - Instate M & L	400	1,200	600														
544100 - Office Supplies	8,000	24,000	12,000														
544900 - Invent Exempt	4,000	12,000	6,000														
546600 - Telecomm	2,800	8,400	4,200														
	15,400	46,200	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

### 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: "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.

### **PERFORMANCE IMPLICATIONS**

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.

### **ADMINISTRATIVE IMPLICATIONS**

HCA/BHSD would need staff in order 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.

No IT impact.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

### **TECHNICAL ISSUES**

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.

## **OTHER SUBSTANTIVE ISSUES**

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.

## **ALTERNATIVES**

None.

## **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.

## **AMENDMENTS**

None.