LFC Hearing Brief

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

BACKGROUND INFORMATION:

New Mexico has some of the poorest substance misuse and behavioral health outcomes in the country. For example, the alcohol-related death rate in New Mexico is trending upward, increasing 34 percent between 2010 and 2016. Since 1981 New Mexico's alcohol-related death rate ranked 1st, 2nd, or 3rd in the U.S with rates nearly double the national rate for two decades. In 2016, "America's Health Rankings" ranked New Mexico second for drug deaths in the United States while male drug deaths were nearly double the national rate. New Mexico's suicide rate also ranks among the worst nationally. The worst outcomes are concentrated in geographical regions of the state. For example, Rio Arriba and McKinley counties' alcohol related death rates are both about 4.5 times higher than the national rate.

There is considerable unmet need for substance use disorder (SUD) services and treatment. Statewide, in 2016 there were 1,456 alcohol related deaths, or about four deaths every day. Federal, state, and local entities offer services to treat behavioral health and substance use disorders including Medicaid behavioral health, state-funded behavioral health investment zones, problem solving courts, services funded by local liquor excise taxes, and services funded by the local driving while intoxicated (DWI) grant fund. The impact of current programming is unclear and service misalignments and funding gaps exist including:

- Federal Medicaid funds are directed towards evidence-based substance abuse disorder services and may not cover alcohol abuse treatment such as social detoxification (detox).
- Jurisdictional issues can present obstacles for individuals moving between state and tribal areas and Indian Health Services (IHS) and other facilities.
- General fund revenue may be used when Medicaid, IHS, local DWI and local liquor excise tax funds could be funding certain SUD services.

In McKinley County, substance use disorder and behavioral health services are lacking but improving. Grant funds, state appropriations, local liquor excise tax, and local DWI funds are increasing resulting in new programs, interventions, and services to help address this issue, but more remains to be done.

Medicaid Behavioral Health

Since 2014, Medicaid expansion provided health coverage to thousands of New Mexicans who were previously uninsured and lacked regular access to physical and behavioral health services. Medicaid behavioral health expansion provides for the treatment of depression, post-traumatic stress disorder, bi-polar disorder, and substance use disorders (SUD). These conditions are Medicaid cost drivers and contribute to poverty, homelessness, and suicide. According to the Behavioral Health Services Division (BHSD) of the Human Services Department (HSD), individuals with both chronic physical health conditions and mental health conditions cost 60 to 75 percent more than clients without co-morbid conditions.

AGENCY: City of Gallup, BHIZ grantees, Navajo Nation (invited), and Human Services Department

DATE: May 11, 2018

PURPOSE OF HEARING: Identifying Substance Use Disorder Services and Treatment

WITNESS: Maryann Ustick and Debra Martinez, Gallup City & BH Managers; Ophelia Reeder RMCHCS Executive Director; Dr. Kevin Foley, Executive Director NCI; Jonathan Nez, Vice President Navajo Nation (Invited); Dr. Wayne Lindstrom HSD, BHSD Director

PREPARED BY: LFC staff Chapel, Chenier, Dinces, Esquibel, Felmley, Romero, and Torres

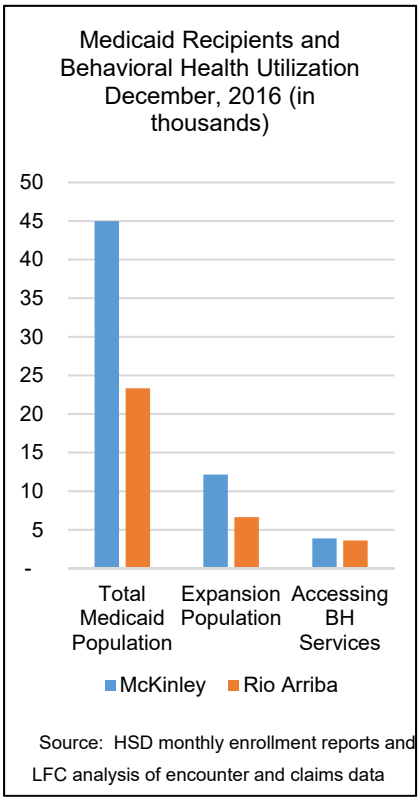
EXPECTED OUTCOME: Informational

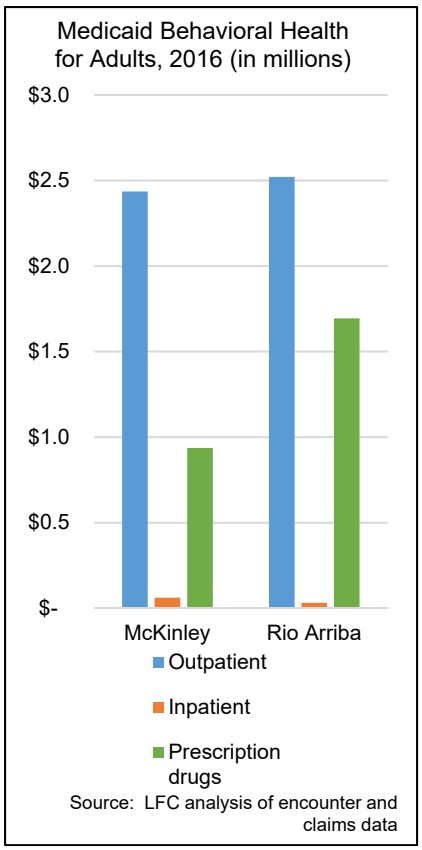
In 2016, there were

1,456

Alcohol related deaths in New Mexico

This equates to an average of **FOUR** people dying **EVERY DAY**.





In FY17, over 18 percent of the state's total Medicaid population uses behavioral health services; however, the outcomes for the program are unclear. In 2016, inpatient behavioral health services were 14 percent of overall Medicaid behavioral health expenditures. McKinley and Rio Arriba, the two behavioral health investment zone (BHIZ) counties, had lower inpatient behavioral health service use. This lower utilization could be associated with Native American clients relying more heavily on Indian Health Service (IHS) for inpatient needs. Also in 2016, Medicaid did not pay for adult inpatient substance use disorder (SUD) residential services, so statewide numbers are a combination of mental illness and SUD. The statewide average for SUD services as a percent of total Medicaid spending for 2016 was 13 percent, but McKinley County was only at 6.3 percent. The lower utilization and expenditures for Medicaid substance use disorders (SUD) in McKinley County is unclear, but could be associated with provider mix as well as substance use mix. For example, opioid versus alcohol treatment services have differing eligibility for Medicaid reimbursement. Medicaid is a medical model and provides limited or no funding for social treatment services or models.

The LFC's *Health Notes: Behavioral Health Services for Medicaid Expansion Adults*, reports the majority of the Medicaid expansion population is in managed care, but between 11 and 12 percent are in Medicaid fee for service (FFS). The FFS category is predominantly Native Americans who are not required to enroll with a Medicaid managed care organization (MCO) unless they are seeking long term services or are dually eligible for Medicare and Medicaid. Native American recipients have grown from approximately 13 percent of the total expansion population at the end of 2014, or about 25,000 clients, to about 15 percent, or over 37,000 clients. Although FFS made up less than 9 percent of total behavioral health spending in FY17, spending for FFS increased by 79 percent between FY14 and FY17, from about $24 million in FY14 to $42 million in FY17.

Behavioral health services are generally divided into six categories:

- Outpatient services include psychiatric diagnostic and substance abuse evaluations, individual, family and group therapies, medication management, Assertive Community Treatment (ACT), and methadone and suboxone medication-assisted treatment;
- Inpatient services;
- Intensive outpatient services and outpatient psychiatric services provided by hospitals for recipients under 21 years old;
- Residential services which are provided only to Medicaid recipients who are under 21 years old;
- Recovery services including comprehensive community support and psychosocial rehabilitation; and
- Funding for prescription drugs.

Behavioral Health Investment Zones

In 2015, the state began looking at ways to invest non-Medicaid dollars in certain regions of the state determined to have some of the poorest behavioral health and substance misuse outcomes. The Legislature passed a bill that would have created behavioral health investment zones in statute; however, the governor vetoed the bill. The bill intended to allocate non-Medicaid behavioral health funding through

investment zones established by the combined incidence of mortality related to alcohol use, drug overdose, suicide, or other factors based on epidemiological data. The bill would have prioritized resources for high-risk and high-need areas and required local governments to contribute funding.

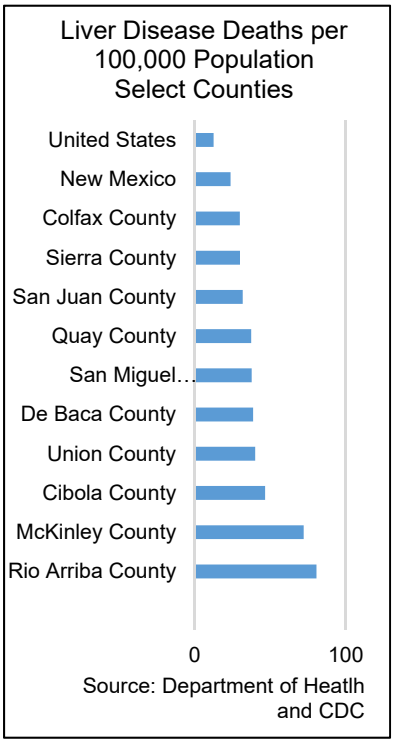
Subsequently, in FY16 the Legislature appropriated $1 million evenly split between McKinley and Rio Arriba counties to establish behavioral health investment zones (BHIZ). Additionally, appropriations McKinley County and the City of Gallup to fund the Na'Nizhoozhi Center Inc. (NCI) and Rehoboth McKinley Christian Health Care Services (RMCHCS) through FY19.

The Na'Nizhoozhi Center Inc. (NCI) and the Gallup Indian Medical Center are meeting with Indian Health Services (IHS) to potentially expand detox services to clients' relatives.

McKinley County Behavioral Health Investment Zone

In FY16, the McKinley County BHIZ focused its efforts and funding on renovating the Gallup Na'Nizhoozhi Detox Center (NCI). The McKinley County BHIZ also implemented therapeutic services and converted the old Rehoboth McKinley Christian Health Care Services (RMCHCS) hospital into a substance use disorder residential treatment center (RTC) with extended stay for vocational and supportive housing programs.

The City of Gallup has hired a behavioral health manager to assist with the administration and coordination of the BHIZ appropriation. An encrypted electronic health record data base, AccuCare, has been purchased and client data is being entered by both subcontractors, NCI and RMCHCS, and privacy agreements have been signed for client tracking purposes. The BHIZ will be hosting a strategic planning session in partnership with the local Behavioral Health Collaborative focusing on prevention, treatment, supportive care, educational resources, and transitions to wellness.



Na'Nizhoozhi Center Inc. In FY17, the McKinley County BHIZ continued its mission to provide intensive services to its frequent "top 200" chronic and repeat protective custody and public inebriation clients, moving 25 percent of these people from the cycle of abuse and short-term shelter to the path of recovery utilizing a continuum of services. The BHIZ renovated sections of the Na'Nizhoozhi Center Inc. (NCI), Gallup's old detox center, and is now providing therapeutic and case management services. NCI has hired three in-house counselors and one case manager and is offering daily individual and group counseling using a social detox model. NCI has subcontracted with A Bridge to Recovery Treatment Center which offers residential treatment to some clients.

Rehoboth McKinley Christian Health Care Services. The McKinley County Behavioral Health Investment Zone (BHIZ) has subcontracted with Rehoboth McKinley Christian Health Care Services (RMCHCS) Residential Treatment Center (RTC) to provide clients with a full continuum of services including residential treatment, transitional living services, job placement, and a GED program. RMCHCS has hired a special projects director, a part-time aftercare program manager, a transporter, a case worker, and a behavioral health technician.

Recent legislation in other states that limits opioid prescribing includes:

- Twenty-eight states enacted opioid prescription limits (such as limiting initial prescriptions to a seven-day supply).
- Some states set dosage limits using morphine milligram equivalents.
- Some states limit opioid prescriptions to acute pain and not chronic pain.
- Seven states authorized appropriate state agencies to set limits by rule.

McKinley County Behavioral Health Investment Zone Highlights

For FY17 and FY18, the McKinley County Behavioral Health Investment Zone (BHIZ) reports the following highlights:

1. Package Liquor Sales-The city now prohibits package liquor sales from 7:00am to 10:00am.
2. SAMHSA Grant-BHIZ submitted a SAMHSA grant proposal for additional funding.
3. RMCHCS Services-RMCHCS expanded to 60 beds.
4. Strategic Planning-Funded and supported creation of a strategic plan for the McKinley County-Gallup Behavioral Health Collaborative.
5. Data Base-Purchased a data base for both NCI and RMCHCS for client tracking.
6. NCI and Gallup Indian Medical Center-NCI has begun meeting with Indian Health Services (IHS) to potentially expand detox services to clients' relatives.
7. Work Rehabilitation-RMCHCS has partners with the Chamber of Commerce to create a job pool and work with local employers to hire RTC clients. The city has placed seven individuals in internships and community enhancement positions.

Rio Arriba County Behavioral Health Investment Zone

The Rio Arriba behavioral health investment zone is focused on opiate use reduction and works through the county which hired three case managers and a full-time hub manager dedicated to the Opiate Use Reduction (OUR) Network. The OUR Network uses a web portal for care coordination. All Rio Arriba County case managers, including the three hired with BHIZ funding, have been certified as inmate psych evaluation determiners and have completed training for family psych evaluation determination. The Rio Arriba is recruiting for a medical director to develop OUR Network medication-assisted treatment protocols, ensure judicial requirements for diversion are met and ensure effective treatment of anti-social symptoms. These individuals are also trained to dispense Narcan, including when inmates re-enter the community, and train other trainers for Narcan distribution.

The case managers provide services in the jail three times per week as well as in the community, and work with the Public Defender's Office. Rio Arriba County is working with the 1st Judicial District to develop a joint powers agreement to conduct pre-trial diversion from district court into OUR Network targeting the 180 frequent jail utilizers. The agreement will cover the cost of court monitoring and GPS equipment.

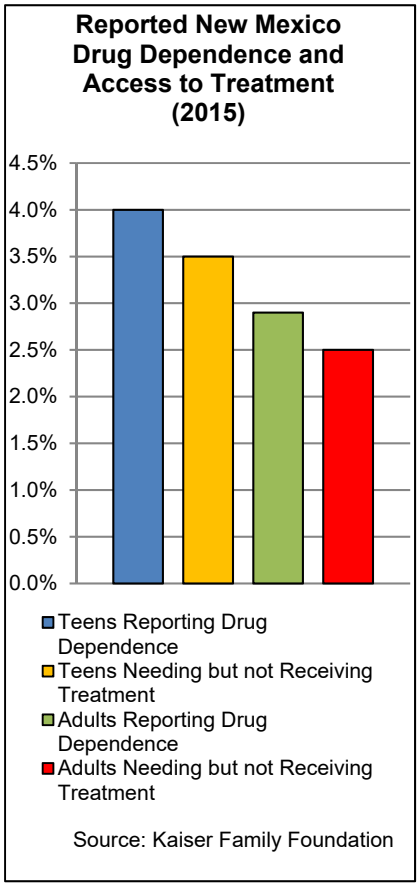
The Rio Arriba County BHIZ created a Media Task Force which developed a comprehensive campaign to help the public understand and empathize with problems faced by individuals in recovery. The campaign includes professionally produced videos about people seeking treatment, children being raised by grandparents, and mothers in recovery that feature local landmarks, music and cultural traditions.

Substance Use Disorder Treatment

New Mexico has made progress expanding access to some types of evidence-based treatments for substance abuse disorders. However, the state is not meeting the need and these services would need to reach many more people to be meaningful. A 2014 LFC report on adult behavioral health programs recommended the state

invest more in intensive outpatient program (IOP) services, a time-limited, multi-faceted approach to discharge and transition services planning, therapy, and education for individuals with substance abuse or co-occurring disorders. In FY13, the state spent $2.4 million to provide IOP to 1,493 clients; by CY16, spending on IOP increased by 46 percent to $3.5 million to provide services to 1,431 clients. The same trend, although much more pronounced, can be seen among the expansion population, where spending on IOP increased by 136 percent between CY14 and CY16 and claims increased by 123 percent.

Since the 2014 LFC report, the Department of Health added IOP services at the Rehabilitation Center in Roswell and at Turquoise Lodge in Albuquerque. As of April 2018, the Rehabilitation Center's average census was 27 in the IOP and serves patients with co-occurring substance misuse and behavioral health diagnoses. These programs usually consist of three-hour sessions three days per week and clients are referred by probation and parole officers, problem solving courts, and self-referrals.



Substance Misuse Outcomes

The negative consequences of excessive alcohol use are costly and lead to high blood pressure, heart disease, stroke, liver disease, and cancer of the mouth, breast, throat, esophagus, liver and colon. Other negative consequences of alcohol use include domestic violence, crime, poverty, unemployment, injuries, and mental illness. According to the federal Centers for Disease Control and Prevention (CDC) these consequences cost New Mexico $2.2 billion in 2010. The Surgeon General's national prevention strategy calls for support for state, tribal, and local implementation and enforcement of alcohol control policies and emphasizing the identification of alcohol abuse disorder with brief intervention, referral and treatment.

In 2016, "America's Health Rankings" ranked New Mexico second for drug deaths in the United States while male drug deaths were nearly double the national rate. One way to reduce drug deaths is to ensure widespread availability of Naloxone, an opioid overdose reversal medication. Recent legislation allowed any individual to possess Naloxone, and authorized licensed prescribers to write standing orders to prescribe, dispense, or distribute Naloxone. In recent years, New Mexico improved the number of pharmacies dispensing naloxone from nearly zero to 40 percent.

While Naloxone is effective at reducing opioid deaths it is not effective at treating underlying addiction issues. According to the Department of Health, "in 2015, 1.7 million opioid prescriptions were written in New Mexico, dispensing enough opioids for each adult in the state to have 800 morphine milligram equivalents (MME), or roughly 30 opioid doses." CDC recommended strategies include increasing the use of prescription drug monitoring programs, policy changes to reduce prescribing, working to detect inappropriate prescribing, increasing access to treatment services, and assisting local jurisdictions. In 2016, New Mexico was one of 14 states to receive federal supplemental funding to implement these strategies. While the department does a good job tracking opioid epidemic indicators, there is more work to coordinate a comprehensive statewide treatment strategy.

Drug and Alcohol Related Indicators Per 100,000 Population		FY15	FY16	US 2016
1	Drug overdose deaths	25	25	20
3	Alcohol-related deaths	66	66	32
6	Suicides	23	22	13.5
			Source: DOH	

Problem Solving Courts (Drug Courts)

New Mexico Problem-Solving Courts use a collaborative treatment-based Drug Court model to work with repeat offenders whose criminal activity is driven by underlying substance abuse or mental illness. The courts also use a mental health court model for clients with behavioral health issues. As an alternative to incarceration, these programs focus on the successful rehabilitation of participants through early, continuous, and intense judicial oversight, treatment, mandatory periodic drug testing, and use of appropriate sanctions, incentives, and other community-based rehabilitation services. In New Mexico, the five types of drug courts include Adult, Veteran's, Juvenile, Family Dependency, and DWI.

Program Type	Recidivism (Intent-to-treat)	Cost-per-Client-per-Day	Graduates	Graduation %	Active Clients
Adult (22 + 1 pilot)	22.2%	$21.17	250	51.3%	492
Juvenile (12)	28.4%	$44.64	77	51.0%	106
DWI (9)	5.7%	$20.43	175	76.8%	262
Family Dependency (3 + 1 pilot)	13.9%	$19.31	26	50.0%	39
Statewide (46 + 2 pilot)	**19.1%**	**$23.95**	**528**	**57.9%**	**899**
Mental Health (5)	25.9%	$14.66	126	66.7%	120

Source: Administrative Office of the Courts

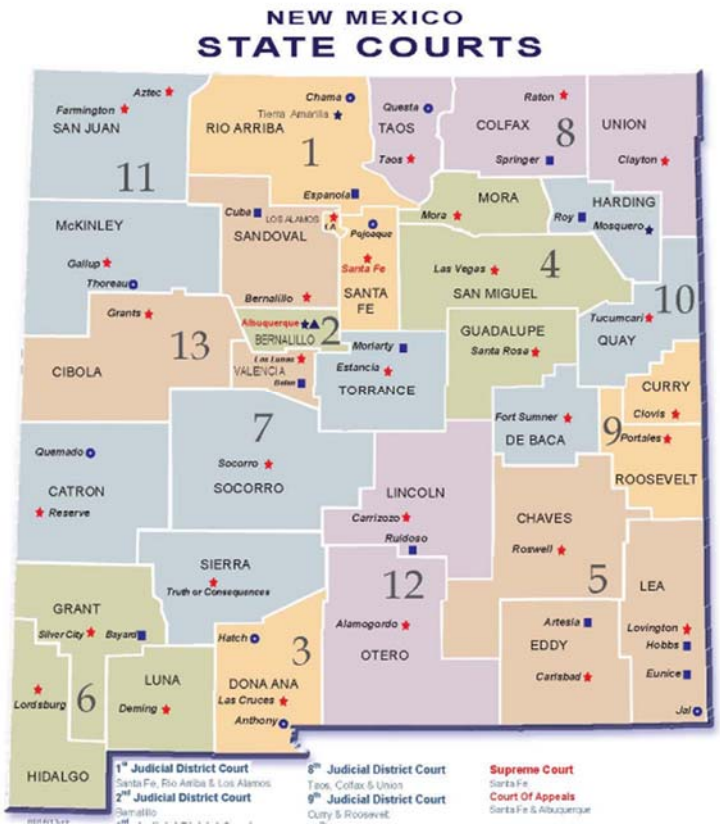
McKinley County Problem Solving Courts

In 1999, a Juvenile Drug Court was established in Gallup's 11th Judicial District Court, but was closed in 2001 due to a lack of local treatment providers and insufficient funding provided through a federal grant. Three years later, in 2004, the 11th Judicial District Court restarted the Juvenile Drug Court (called Youth Treatment Court) which suffered from a lack of referrals and participation. According to the 11th Judicial District Court, the program was closed in 2017 due to a lack of referrals which rendered the program cost ineffective. The program received five referrals in FY 15 and only one referral in FY16. During

that same period, the 11th Judicial District Court attempted to revitalize the program through several working groups, including the Juvenile Probation Office, but was unsuccessful in bolstering referrals.

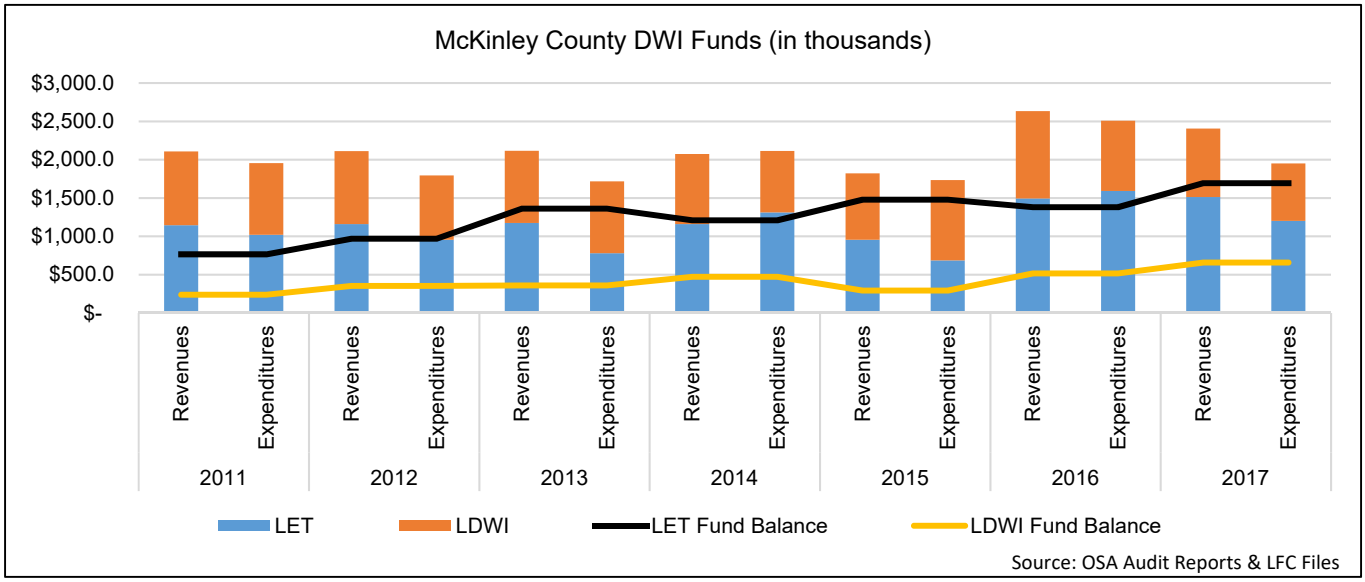
The closing of the Juvenile Drug Court in Gallup was a part of a larger trend across the state of declining referrals from the Juvenile Probation Office. In the past two years, five juvenile drug courts have been closed due to a lack of referrals.

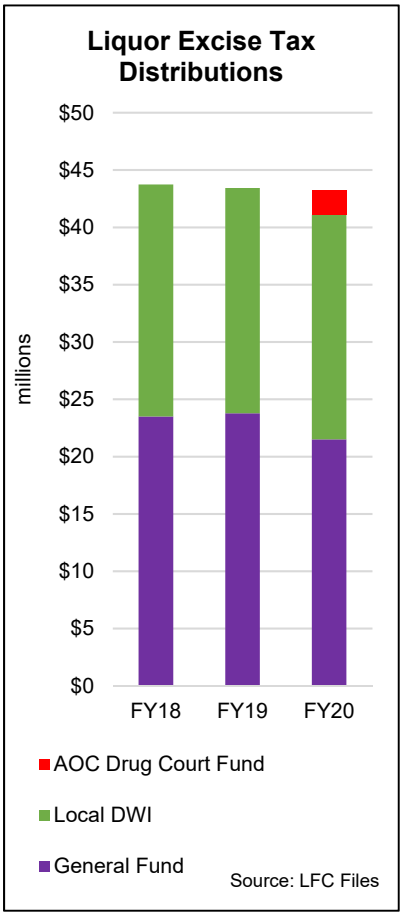
In addition to the district court programs, the Gallup Magistrate Court operated a DWI court until 2008. A disagreement over programming between the county and the Administrative Office of the Courts (AOC) resulted in both parties withdrawing, effectively ending the program. In March 2018, AOC began negotiations to restart the DWI court and has already lined up federal funding should the local judges choose to participate. The program is not expected to begin until late November 2018.



DWI Program Funding

A portion of liquor excise tax is diverted into a special fund known as the Local DWI (driving-while-intoxicated) grant fund, which is administered by the Department of Finance and Administration (DFA). Revenues to the fund average $20.5 million annually with commensurate distributions and grants to the 33 counties. Statute requires $300 thousand of the revenue be used for the indigent interlock fund and, by practice, $1.6 million is appropriated to the Administrative Office of the Courts (AOC) for use by drug courts.





The purpose of the fund is to provide programs, services, or activities to prevent or reduce DWI, alcoholism, drug abuse, and domestic abuse. Most of the funds available are disbursed by a statutory formula based on annual gross receipts tax and alcohol-related crashes in each county. The Local DWI grant council is authorized to distribute additional grants to counties based on criteria set and approved by the council. In addition to statutory distributions and council grants, six counties also receive appropriations from the fund to run and maintain alcohol detoxification and treatment facilities pursuant to Section 11-6A-3(D) NMSA 1978.

Statutory distributions of the excise tax to the Local DWI fund were set at 41.5 percent; however a temporary provision increased the distribution to 46 percent for FY16 through FY18. To prevent the additional distribution from expiring, Laws 2018 Ch. 48 (HB35) permanently set the Local DWI fund distribution at 45 percent effective July 1, 2018. Although this is a decline of 1 percent from the FY18 distribution, the legislation preserved about $1.5 million in recurring revenue for the fund. Additionally, the legislation diverts 5 percent of liquor excise tax revenue, about $2.2 million annually, to the newly created drug court fund for drug court programs administered by AOC. This new distribution will presumably replace the current set-aside of $1.6 million from the Local Government Division distribution, and the funding increase will allow AOC to not only maintain current drug court programs but also allow for an enhancement of both program capacity and infrastructure quality.

Local Liquor Excise Tax

McKinley County is not a beneficiary of the statutory appropriation for detox and treatment facilities; however, it is the only county to enact a local liquor excise tax (LET) in accordance with. The 6 percent tax, which is the maximum allowed by statute (Section 7-24-10 NMSA 1978), generated $1.5 million for substance abuse prevention educational programs, social detoxification, prevention, and treatment in FY17. However, only $1.2 million was expended, increasing the fund balance by more than $300 thousand. The county's LET fund balance reached a high of $1.7 million at the end of FY17.

McKinley County DWI Program

The county's DWI program is funded by Local DWI and LET funds. From 2013 through 2015, McKinley County ranked as the second highest county for alcohol-related deaths in the state with an average 128 per 100 thousand people, compared with the state average of 59 per 100 thousand. In FY18, the McKinley County DWI prevention program experienced substantial turnover, including the program manager, compliance monitoring program manager and the program's secretary, among several others. Those positions have since been filled.

For FY19, the county did not apply for a Local DWI council grant; however, McKinley County is estimated to receive a Local DWI fund distribution of $640.6 thousand. With this distribution and the estimated $1.5 million from LET, the county will have an estimated $2.1 million in new funds for DWI programs in FY19 and a total of $4.5 million including fund balances.

The McKinley County DWI program funds six out of the eight components identified by the New Mexico DWI Affiliate Strategic Plan, including screening, prevention, coordination and planning, treatment, compliance monitoring, and alternative sentencing. Every quarter, prevention specialists visit 29 chapter houses in the Navajo Nation to provide substance abuse prevention education. The program also provides counseling sessions, referrals, and support for family members experiencing alcohol related injury or death. The program provides all material and messages in both English and Navajo.

FY19 Local DWI Grant Fund Distributions
(in thousands)

Grantee	Detox	Distribution	Grant	Total
Bernalillo	$1,700.0	$4,063.0	$53.5	**$5,816.5**
Catron		$62.0	$10.0	**$72.0**
Chaves		$367.4	$28.0	**$395.4**
Cibola		$187.3	$62.0	**$249.3**
Colfax		$89.2	$9.2	**$98.4**
Curry		$212.8	$68.0	**$280.8**
De Baca		$62.0	$35.0	**$97.0**
Dona Ana		$986.0	$80.0	**$1,066.0**
Eddy		$389.4	$70.0	**$459.4**
Grant		$151.3	$86.0	**$237.3**
Guadalupe		$61.7	$51.0	**$112.7**
Harding		$62.0		**$62.0**
Hidalgo		$62.0	$30.0	**$92.0**
Lea		$384.8	$160.0	**$544.8**
Lincoln		$160.6		**$160.6**
Los Alamos		$62.0	$17.0	**$79.0**
Luna		$126.0	$66.0	**$192.0**
McKinley		$640.6		**$640.6**
Mora		$62.0	$12.0	**$74.0**
Otero		$260.0		**$260.0**
Quay		$85.3	$10.0	**$95.3**
Rio Arriba	$200.0	$268.6	$239.0	**$707.6**
Roosevelt		$99.7	$25.0	**$124.7**
San Juan	$300.0	$888.5	$310.0	**$1,498.5**
San Miguel		$178.1	$30.0	**$208.1**
Sandoval	$150.0	$425.1	$265.0	**$840.1**
Santa Fe	$300.0	$1,130.0		**$1,430.0**
Sierra		$71.8	$50.0	**$121.8**
Socorro	$150.0	$90.6	$40.0	**$280.6**
Taos		$232.7	$25.0	**$257.7**
Torrance		$85.7	$50.0	**$135.7**
Union		$62.0		**$62.0**
Valencia		$329.8	$73.0	**$402.8**
TOTAL	**$2,800.0**	**$12,400.0**	**$1,954.7**	**$17,154.7**

Source: DFA – Local DWI Bureau