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## FISCAL IMPACT REPORT

SPONSOR:	Martinez		DATE TYPED:	2/6/03	НВ	
SHORT TITLE: Northern NM Alcohol			ol & Substance Abu	ıse	SB	387
				ANAL	YST:	Dunbar

## **APPROPRIATION**

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
\$600.0				Recurring	GF
\$400.0				Recurring	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB49

Relates to Appropriation in the General Appropriation Act

## **SOURCES OF INFORMATION**

Responses Received From

Department of Health (DOH) Health Policy Commission (HPC)

#### **SUMMARY**

## Synopsis of Bill

Senate Bill 387 appropriates \$600.0 from the general fund to the Department of Health for expenditure in fiscal years 2003 and 2004 for the purposes of contracting for women's alcoholism and substance abuse treatment services based in Velarde in Rio Arriba County. Such services would include gender specific and culturally appropriate components of substance abuse. Additionally, services will include psychological counseling, human immunodeficiency virus, and hepatitis virus counseling, preventive health and life skills education, and a wide array of other specified social services.

In addition, SB 387 appropriates \$400.0 from the general fund to the Department of Health for expenditure in fiscal years 2003 and 2004 for the purposes of contracting for a regional medi-

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cally supervised best practices alcohol and substance abuse detoxification program based in the county facility in Velarde in Rio Arriba County. Services would include nutrition specific to the healing of addiction and culturally appropriate residential services. The service offered would also address the medical and psychiatric needs of persons detoxifying from an alcohol, heroin and other opiates, sedatives and stimulant addictions.

SB 387 contains an emergency clause.

## Significant Issues

Within Northern New Mexico, there are serious drug and alcohol abuse and addiction problems. San Miguel and Rio Arriba Counties ranked numbers two and three in the state on the composite measure of substance abuse (Hospitalization, Mortality, Traffic, and Youth). Rio Arriba County had the highest rates in the state of both drug- and alcohol- related morbidity and mortality. It has also one of the highest rates of alcohol-involved crash fatality and high-school dropout. Rio Arriba has the highest incidence of death of overdose nationally. Consequently, efforts to enhance treatment services in Rio Arriba County and Northern New Mexico are a high priority.

Funding for detoxification and residential beds in Rio Arriba County increases the disproportionate funding for these services that already exists. There are no residential services in the southwest quadrant of the state apart from Fort Bayard; however, there are three residential programs in Rio Arriba County area – Hoy in Espanola; Rio Grande Alcoholism Program in Embudo; and Eight Northern Indian Pueblos for Native Americans. In Northern New Mexico DOH provides services through the Recovery of Alcoholics Program in Santa Fe and Taos/Colfax Community Services providing detoxification and residential services in Taos.

DOH states that SB 387 does not acknowledge the need for collaboration with the existing Regional Care Coordinator for the region (Region II Behavioral Health Providers, Inc). Detoxification and residential care are preliminary and intensive modalities of care. It is critical that when a client has been in residential care and has stabilized, that an immediate focus be on the recovery process and the implementation of successful recovery techniques. The next step in treatment is coordination of an array of services. It is the responsibility of the Regional Care Coordinator (RCC) to see that continuing coordination takes place and ensures the most appropriate and cost effective services are provided.

## FISCAL IMPLICATIONS

The appropriation of \$1,000.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

In FY03, \$7,800.0 was appropriated for substance abuse for the state. The Corrections budget received \$2,000.0 of that funding. The Northeast quadrant of the state (Region 2) received \$766.7 of those funds. The same funding for these programs is included in HB2 for FY 04.

# **ADMINISTRATIVE IMPLICATIONS**

There would be a moderate impact within DOH; initially considerable effort would have to be expended to develop a Request For Proposal to follow the process of the Procurement Code.

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DOH would have to develop a contract for the designated recipient and manage the start-up and initial operations. The department could absorb additional management responsibilities by DOH.

#### RELATIONSHIP

Relates to SB49, makes an appropriation to the Department of Health for drugs and case management services for NM residents infected with HIV.

## **TECHNICAL ISSUES**

From a clinical perspective, detoxification from alcohol is not the same as detoxification from opiates or from sedatives or stimulants. Physical withdrawal and its side effects are different for each of the drugs. Medical complications during treatment will require special skills.

The naming of a specific community location in SB387 may deter other service providers in the region, and specifically the Espanola Valley, from responding to a Request For Proposal (RFP) from the Department of Health for the services named in the bill.

## OTHER SUBSTANTIVE ISSUES

The Department of Health recognizes and has long been concerned with the high rates of alcohol and substance use in Rio Arriba County. Currently there is only one inpatient program in Rio Arriba County, Auydantes, and this program provides only 30 days of treatment. There are two methadone treatment programs for men and women that are both outpatient. There is one outpatient center, Amistad, which is for men and women, but focuses on heroin use/addiction. In addition, there is one outpatient center, HOY, for men and women, that focuses on alcohol and substance use.

SB 387 proposes to specifically target women and medical detoxification in the newly purchased county facility in Velarde, New Mexico. The facility is a 31-acre, 52 bed hospital. The intent of the purchase is to expand the capacity of the local treatment providers to make residential treatment for multiple drug addiction available in Rio Arriba and Santa Fe Counties. Rio Arriba and Santa Fe Counties are currently working together. Santa Fe's new facility, Care Connection, will provide 7-day detox services. There is a shortage of intermediate and long-term residential services available, so Rio Arriba's facility is expected to assist with meeting this need.

SB 387 focuses on women' substance abuse services and detoxification services. One of the major gaps in services in northern NM is for adolescents. The Department of Health feels that these programs should include adolescents with these problems and should also be inclusive of mental health treatment as part of the services provided.

Consideration should be given to requiring clear written agreements between all the current providers and programs to ensure that they work collaboratively and cooperatively to implement these new services. While it is recognized that the needs are great in Rio Arriba County it is imperative that all programs work together to ensure access to the services being provided."

The following indicators of Substance Abuse are reported from the 1997 New Mexico Social Indicator Project Report (1995-1997), Oct. 1999 Behavioral Epidemiology and Evaluation Unit

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Office of Epidemiology, PHD, NMDOH. In District 2 (NNM), both San Miguel and Rio Arriba Counties ranked numbers two and three in the state on the composite measure of substance abuse (Hospitalization, Mortality, Traffic, and Youth). Rio Arriba County had the highest rates in the state of both drug- and alcohol- related morbidity and mortality. It has also one of the highest rates of alcohol-involved crash fatality and high-school dropout.

(BHSD) estimates that \$1,000,000 will fund about 36 clients for a 120-day course of treatment. Note that this sum is to be spread across 2 fiscal years. HPC recommends a cost-benefit analysis to determine if an alternative outpatient treatment is more cost effective.

HPC notes that from 1995 to 1998 seventy-seven (77) documented deaths have been directly attributed in the county to overdoses of illegal substances. (Source: Rio Arriba Community Health and Justice Technical Assistance Response Team Report –Office of Justice Programs, United States Department of Justice, 1999).

The financial/opportunity-lost cost of addiction and drug related crime is also significant, particularly for an economically poor area Ike Rio Arriba County. The Board of Commissioners estimates that at least 10% of the county's \$10.1 million operational budget is spent incarcerating substance-abusing offenders in the county's detention facility. This represents a significant drain on the budget of Rio Arriba County (Source: Rio Arriba Community Health and Justice Technical Assistance Response Team Report –Office of Justice Programs, United States Department of Justice, 1999).

HPC points out that there is also agreement that significant resources are already being spent on drug prevention and treatment programs in North Central New Mexico and that more money alone will not solve the problem. The State Department of Health's Region II, the area in which Rio Arriba County is located, currently receives much of the State's prevention and treatment funds. HPC reports that in 1998 nearly \$21.00 was spent per capita in Rio Arriba on prevention, while \$44.00 was spent per capita on treatment and this represented the largest per capita expenditure on prevention

# **POSSIBLE QUESTIONS**

Would appropriating the funds in a less prescriptive manner allow DOH the opportunity to spend these funds in the most cost-efficient manner?

DB/yr