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FISCAL IMPACT REPORT

ORIGINAL DATE 02/03/14
LAST UPDATED 02/18/14 **HB** 255/aHCPAC/aHAFC

SPONSOR Thomson

SHORT TITLE Keeping Families Together Act **SB** _____

ANALYST Kludt

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
		NA	NA

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)
 New Mexico Finance Authority (NMFA)
 Human Services Department (HSD)

SUMMARY

Synopsis HAFC Amendment

The House Appropriation and Finance Committee amendment to House Bill 255 amends the pilot project to be established in Bernalillo, Dona Ana or Valencia County. Additionally, HAFC struck Section 6 Appropriations of this bill.

Synopsis HCPAC Amendment

The House Consumer and Public Affairs Committee amendment to House Bill 255 inserts “in addition to complying with the provisions of the Procurement Code, the” on page 5, line 20 before “the”, and on page 5, line 22, after "manager", insert “, in the event that the secretary appoints a program manager who is not a department employee”.

Synopsis of Original Bill

The bill requires the Secretary of CYFD to create the pilot project to provide long-term supportive housing through December 31, 2018. The pilot will provide services to families who lack secure housing and whose children have been identified as victims in substantiated findings of child abuse or neglect.

The supportive housing pilot project will provide resources for families including assistance in locating long-term housing, assistance with rent, utilities and deposits, family services including behavioral health services, parenting skills training and employment assistance. In order to be eligible to participate in the keeping families together pilot project, a family must meet eligibility criteria as follows:

- A child in the family has been identified as a victim in a substantiated finding of child abuse or neglect.
- The family is homeless or has inadequate housing.
- A family member has been identified as having a substance dependency or mental illness.

The bill requires CYFD to contract with supportive housing providers in Bernalillo, Dona Ana or Valencia County to provide long-term supportive housing services as well as a program manager to administer the pilot project.

FISCAL IMPLICATIONS

HSD has reported that the fiscal implications for this bill are unclear for the agency. The behavioral health services required of the long term supportive housing providers are services covered by Medicaid and non-Medicaid public behavioral health system. Due to the limited funding of this four year pilot, it appears that the legislation assumes Medicaid and non-Medicaid funding will pay for the behavioral health services required in the pilots. If so, there will be an additional cost to Medicaid and non-Medicaid behavioral health. Additional information would be required for HSD to fully estimate the additional costs for the behavioral health services.

SIGNIFICANT ISSUES

Repeat involvement with the child welfare system is more likely to occur in families who are extremely poor, have minimal social supports and lack safe and adequate housing. The bill proposes to use long-term supportive housing, case management and support services to reunify families, reduce child abuse and neglect and prevent foster care among homeless or inadequately housed families. The program purpose, model and impacts are analyzed in the report by New Mexico Appleseed, 'Keeping Families Together: Preventing Foster Care, Homelessness and Repeat Maltreatment' (December 2013).

The model for Keeping Families Together comes from a program of the Corporation for Supportive Housing (CSH) that provides supportive housing to vulnerable families in order to enhance children's safety and help prevent foster care placement. It brings together affordable housing with other social services and agencies that help families with issues like substance abuse medication management, parenting skills and career counseling. Keeping Families Together was launched in 2007 with a \$700 thousand grant from the Robert Wood Johnson Foundation to CSH.

According to the New Mexico Finance Authority (NMFA), this bill would provide another mechanism for supportive housing services to complement services that are currently available, such as the Emergency Homeless Assistance Program (EHAP) and Rental Assistance Program (RAP) administered by MFA and the Continuum of Care program administered by the New Mexico Coalition to End Homelessness. They also reported that the service providers that implement MFA's supportive housing programs provide an experienced pool of potential

providers for the Keeping Families Together program.

CYFD has reported a deficiency of resources for families regarding assistance for long-term housing, and access to family preservation services such as behavioral health services, parenting skills training, and employment assistance. The agency states that this type of programming may contribute to a family's ability to provide safety and secure housing for children.

HSD has reported that this program model is similar to the existing Behavioral Health Collaborative's (Collaborative) "Program Transitions" in Bernalillo County that provides subsidized housing and support services to transition age youth ages 18 – 21. The KFT program model was developed by the national housing non-profit, Corporation for Supportive Housing and implemented first in New York City. The program demonstrated its effectiveness in the New York City Mayor's Management Report (2010), and reported a significant decrease in the risk of generational cycle of abuse, homelessness and trauma-related emotional issues.

The Collaborative/HSD has funded supportive housing programs since 2007 in New Mexico and has found supportive housing to be a very effective approach to providing long term stability to the most vulnerable homeless persons with behavioral health issues in our state.

DUPLICATE

This bill is a duplicate to SB 108.

PERFORMANCE IMPLICATIONS

CYFD has performance measures related to safety outcomes and to timely reunification, which this bill may improve.

ADMINISTRATIVE IMPLICATIONS

The bill authorizes CYFD to contract with a program manager to provide administrative oversight of the pilot program.

This bill would establish a definition for Core Service Agency (CSA) in the Keeping Families Together Act, HSD stated the agency has concerns regarding the information provided as to the responsibilities of the CSAs, the funding available to provide services, and the contracting relationship between the CSAs and CYFD or the pilots.

Additionally, HSD has reported concerns regarding the substance abuse treatment, mental health care and behavioral services included in this bill that the long term supportive housing pilot providers must provide. The agency believes it is unclear whether these providers will contract for the behavioral health services with CSAs. The Behavioral Health Services Division (BHSD) of HSD is currently the State Mental Health and State Substance Abuse Authority. The BHSD is designated as the Collaborative lead for supportive housing issues. However, this bill does not include a link to the (BHSD) at HSD for the substance abuse treatment and mental health care services which would be provided by long-term supportive housing. In Section 4.B.3., the bill includes in the oversight workgroup a representative of CSAs that "contract with CYFD to provide services to the participant family". Under current Medicaid and non-Medicaid reimbursement methods, CSAs contract directly with MCOs.

When services are covered by Medicaid, the CSA has a contract with the Medicaid MCO that manages the benefit. When services are not covered by Medicaid, the CSA has a contract with the non-Medicaid contractor, currently OptumHealth, which manages the benefit. Federal Medicaid regulations require that Medicaid services are covered based on medical necessity and MCOs are charged with managing the utilization. Requests for Medicaid covered behavioral health services for Medicaid enrolled participants in the pilots must meet the MCOs utilization review guidelines and medical necessity standards.

AMENDMENTS

HSD has requested the following amendment:

This bill would establish in statute a definition for Core Service Agency that differs from the definition in the HSD regulations. To eliminate confusion, HSD would request that the definition in the bill be amended to track the definition used by HSD.

Amend page 1, line 25 through page 2, line 5 to replace the definition of Core Service Agency as follows:

- A. ~~"core service agency" means an entity that contracts with the state to coordinate care and provide comprehensive services, including psychiatric services, medication management, crisis services and comprehensive community support services, to individuals living with mental illness, emotional disturbance or substance dependence~~

"core service agencies" means multi-service agencies that help to bridge treatment gaps in the child and adult systems, promote the appropriate level of service intensity for members with complex behavioral health needs, ensure that community support services are integrated into treatment, and develop the capacity for members to have a single point of accountability for identifying and coordinating their behavioral health, health and other social services

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