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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, 2nd Session, 2020

Bill Number	<u>HB65</u>	Sponsor	<u>Thomson/Trujillo, C./Ferrary</u>
Tracking Number	<u>.216024.1</u>	Committee Referrals	<u>HHHC/HAFCS</u>
Short Title	<u>School Based Health Clinics Funding</u>		
Analyst	<u>Alexander</u>	Original Date	<u>1/14/2020</u>
		Last Updated	<u>2/7/2020</u>

BILL SUMMARY

Synopsis of Bill

House Bill 65 (HB65) would appropriate \$2 million from the general fund to the Department of Health (DOH) for the funding of existing and new school-based health centers (SBHCs), including mobile clinic services.

SBHCs are clinics on or near school campuses that provide primary care, behavioral health, and referral services to students and in some cases to the larger community. SBHCs are not operated by school districts, but rather by medical and community agencies in partnership with the schools.

FISCAL IMPACT

HB65 would appropriate \$2 million from the general fund to DOH for expenditure in FY21. Any unexpended or unencumbered balance remaining at the end of FY21 would revert to the general fund. The House Appropriations and Finance Committee Substitute for House Bills 2 and 3 (HB2/HAFCS) includes a \$1.4 million appropriation to PED for SBHCs in FY21. PED also permits at-risk funding generated in the state equalization guarantee to be used to fund SBHCs; HB2/HAFCS includes \$50.2 million to increase the at-risk index from 0.25 to 0.30.

SBHC Funding Structure. SBHCs operate under a multisource funding structure. In FY19, SBHCs received funding from DOH and the Public Education Department (PED). DOH provides multi-year contracts to SBHC sponsors, which are funded through the general fund and predicated upon completion of DOH deliverables. These contracts are currently being implemented in approximately 70 percent of SBHCs, and typically cover one third to one half of operating costs. DOH and the Human Services Department also receive a federal Medicaid match that enables additional support to SBHCs.

In previous years, PED transferred appropriations for SBHCs to DOH. LESC staff recommended an increased appropriation directly to DOH in FY20.

According to analysis from the New Mexico Alliance for School-Based Health Care (NMASBHC), one third to one half of SBHC operating costs are met by billing insurance, with 100 percent of SBHCs billing Medicaid and 90 to 95 percent billing private insurance. Federal grants provide limited funding for capital costs. School districts and SBHCs also typically enter into legal agreements outlining shared rent, utility, and facility costs.

SBHCs currently face a range of financial challenges. SBHCs must absorb the costs of treating uninsured students, students seeking confidential services, and hours spent collaborating with school nurses and district staff. NMASBHC analysis predicts the proposed appropriation of \$2 million would offset these costs.

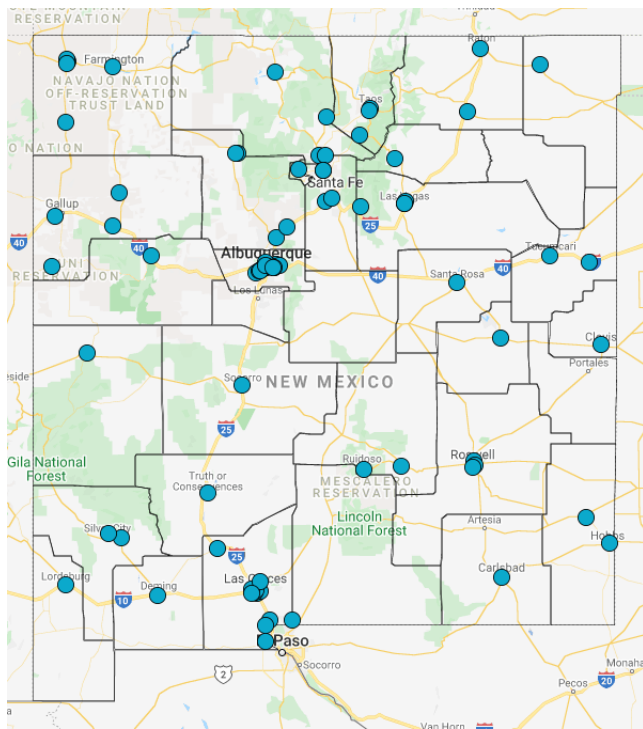
SUBSTANTIVE ISSUES

Return on Investment. SBHCs offer a high return on investment. In 2019, NMASBHC estimated the average cost for a SBHC operating two to three days a week is \$160 thousand per year, with every dollar spent on SBHCs returning \$7.01 to New Mexico. These outcomes relate to improved health for youth and fewer corresponding hospitalizations; increased productivity for parents and guardians, due to fewer work hours lost transporting children to healthcare appointments; and improved academic outcomes, including reduced absenteeism and dropout rates.

Similarly, a 2019 review published in *Global Pediatric Health* found that SBHCs demonstrate a cost-benefit to society by reducing emergency department visits, preventing teenage pregnancies, and reducing costs to Medicaid.

Overview of SBHCs in New Mexico. New Mexico currently houses 82 SBHCs operating across 30 counties in 54 high schools, 11 middle schools, three elementary schools, and 15 combined grade campuses. According to analysis from the Office of Policy and Accountability, in the 2018-2019 school year SBHCs provided over 51 thousand visits to approximately 16 thousand patients.

Map of School-Based Health Centers in New Mexico



Source: NMASBHC

Over 90 percent of New Mexico’s SBHCs are located in health provider shortage areas and over 85 percent are located at schools with a free and reduced lunch rate of over 50 percent. Multiple state departments have identified SBHCs as an important access point for rural students and underserved counties.

PED has emphasized the efficacy of the referral pipeline between schools and SBHCs, noting that in the 2018-2019 school year 4,000 students across the state received referrals to a SBHC.

Positive Outcomes Associated with SBHCs. NMASBHC data from 2019 outlines the advantages SBHCs bring to schools and communities, including reducing the adolescent suicide rate, increasing health care access, meeting basic student needs, and ensuring youth receive regular exams.

In 2019, DOH outlined a range of improved health outcomes associated with SBHCs, including a 70 percent decrease in asthma-related hospitalizations, a 14 percent decrease in non-asthma related emergency room visits, and a 40 percent decrease in unintended pregnancies among SBHC users.

Research from the U.S. Department of Health and Human Services (HHS) Community Preventive Services Task Force finds SBHCs are linked to improved educational outcomes, including increased graduation rates and grade point averages (GPAs).

The HHS task force and DOH have also highlighted SBHCs' ability to reach low-income, minority, and marginalized youth, and characterize SBHCs as an effective strategy to advancing health equity and removing barriers to health care access faced by school-age young people, including scheduling and transportation.

ADMINISTRATIVE IMPLICATIONS

DOH analysis on a similar bill in 2019 predicted that increased funding for SBHCs may require an additional FTE to assist with added administrative requirements such as contracting, invoicing, site visitation, and meeting training needs for new SBHC operations.

RELATED BILLS

Relates to HB53, Health Services as Part of Sufficient Education, which includes nursing, school counseling, and behavioral health services in the definition of a basic sufficient education.

Relates to HB59, At-Risk Program Units & Index Calc. Change, which appropriates \$50.5 million to increase the at-risk index.

Relates to HB127, Task Force on Asset Mapping and Gap Analysis, which calls for the creation of a "social services in public schools task force," which must include one member with expertise in SBHCs.

Relates to HB321, Nurse and Social Worker in Every School, which appropriates \$5 million for the purpose of placing one social worker and one nurse in every school.

Relates to HB329, School Social, Emotional, & Mental Health Program, which appropriates \$2 million to PED to create a mental health intervention pilot program.

Relates to SB132, Nurses in Public School, which appropriates \$5 million to PED to employ and place nurses in public schools statewide.

Relates to SB54, Behavioral Community Integration Act, which provides community-based support services for adults and youth facing mental illness and emotional disturbance challenges.

SOURCES OF INFORMATION

- LESC Files
- New Mexico Alliance for School-Based Health Care (NMASBHC)
- Department of Health (DOH)
- Public Education Department (PED)