

LFC Requester:

Eric Chenier

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://agencyanalysis.nmlegis.gov) and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Date Prepared: 2/5/25 *Check all that apply:*
Bill Number: HB115 Amended Original Correction
 Amendment Substitute

Sponsor: Rep. Joanne Ferrary **Agency Name and Code** HCA 630
Short Title: Residential Treatment Services Funding **Number:** _____
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	\$859.0 \$2,700.0	Nonrecurring	General Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0.00	0.00	0.00	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0	\$161.8	\$161.8	\$323.6	Recurring	GF

(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: House Bill 0115 appropriates ~~\$859,000~~ \$2,700,000 to a residential treatment center in Dona Ana County, for individuals with serious mental illness and psychosis, using a Soteria Model.

FISCAL IMPLICATIONS

The Health Care Authority, Behavioral Health Services Division (HCA/BHSD) would require 1 full-time employee at and a .5 FTE Staff Manager for a total of \$161,800 for salary, benefits and office supplies to develop this program, and update New Mexico Administrative Code 8.321.2. The FTEs would need to research the Soteria Model, gather information on the model, establish performance measures, and collaborate with the treatment center in Dona Ana County to implement and monitor this model.

SIGNIFICANT ISSUES

The Soteria Model is not considered evidence-based, and there are no performance metrics that have been identified or consistently studied and thus may not be approved by the HCA/BHSD. Due to this, there is also a limitation on ability to draw down federal funding through Medicaid.

It is unclear what the appropriation allowances are (e.g. capital improvements, rent, staff salaries, fringe benefits, food, etc.)

This model does not align with HCA/BHSD's current approach to identifying and selecting behavioral health interventions. Criteria is as follows:

- Assessment of whether interventions are evidence based. This assessment involves a review of the scientific literature, study design, replicability, and whether studies included participants who are representative of New Mexico's population.
- Epidemiological review of the health priorities of our state including information from the Department of Health regarding mortality outcomes and prevalence of various conditions.
- Making efforts to ensure a "system of care" to address behavioral health conditions appropriately with various levels of care that address different levels of acuity. These levels of care include recovery-oriented services, outpatient counseling, medication, intensive structured outpatient services, residential treatment, hospitalization and crisis care.
- Using a co-occurring approach to address any mental health and substance use conditions simultaneously.
- Using a collaborative, interdisciplinary approach incorporating best practices from social work, counseling, medicine, psychology, nursing and individuals with lived experience of behavioral health.

PERFORMANCE IMPLICATIONS

The Health Care Authority, the Substance Abuse Mental Health Services Administration

(SAMHSA) and National Institutes of Health (NIH) strongly support other evidence-based practices for coordinated specialty care for this specific population. For example, Assertive Community Treatment (ACT) is an evidence-based practice for individuals with Severe Mental Illness (SMI) and co-occurring disorders and is funded by HCA through Turquoise Care. Additionally, there are evidence-based treatment models specifically designed to treat First Episode Psychosis.

The HCA/BHSD would need to develop policy, develop New Mexico Administrative Code, metrics without evidence-based guidance, and promulgate the rules, develop additional oversight tools and quality measures to align with a non-evidence-based program to implement this new model.

Currently there is no process structure to fund this non-evidence-based model. HCA/BHSD would need to develop the process in the above stated paragraph.

ADMINISTRATIVE IMPLICATIONS

The HCA/BHSD would need to research and gather information on the Soteria Model, update guidance on how to implement this model in New Mexico. HCA (BHSD) would need to collaborate with the treatment provider in Dona Ana County.

No IT impact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

It is important to use caution in interpreting findings as they do not meet the methodological standards that are currently used to identify evidence-based practices. The main concern is that these studies were conducted in the 1970s and 1980s and all diagnoses were made retrospectively based on clinical records from the 1950s. At that time, there was much less agreement about the diagnosis of schizophrenia and wide variation in practice. Patients who were included in these samples likely would not be diagnosed with schizophrenia or other psychotic illnesses today.

Evidence-based recovery approaches that address housing, education and natural supports are supported by HCA/BHSD. New Mexico prioritizes Comprehensive Community Support Services (CCSS), peer support and other community-based recovery services and are included in the Medicaid state plan and are Medicaid funded.

The Soteria model is a costly pilot that would serve a very limited number of individuals per year. Outcomes have not consistently demonstrated the effectiveness of Soteria Model and there is a wide variability in how this approach is delivered. Because this model includes the cost of housing and staff, the cost per person is much higher than most other interventions used in mental health. There are no long-term studies examining the cost effectiveness of this model.

ALTERNATIVES

Assertive Community Treatment (ACT) is an evidence-based practice and SAMHSA states ACT

is a way of delivering comprehensive and effective services to consumers who have needs that have not been well met by traditional approaches to delivering services. At the heart of ACT is a transdisciplinary team of 10 to 12 practitioners who provide services to about 100 people. The State of New Mexico currently approves Assertive Community Treatment Providers, and these providers are located within Bernalillo, Santa Fe, Dona Ana, Taos and Raton Counties. Dona Ana County currently has two Assertive Community Treatment provider agencies. The HCA funds ACT through Turquoise Care for those who are Medicaid eligible. In FY 25 HCA/BHSD developed ACT pilot program with two providers in Dona County for individuals ineligible for Medicaid. The purpose of the pilot is to review financial and service data to potentially add this evidence-based practice to the non-Medicaid fee schedule, for provider reimbursement in subsequent fiscal years. <https://www.samhsa.gov/resource/ebp/assertive-community-treatment-act-evidence-based-practices-ebp-kit>

The Early First Episode Psychosis Program (FEP) Program, located within the Department of Psychiatry and Behavioral Sciences at the University of New Mexico, provides Coordinated Specialty Care (CSC) to individuals aged 15-30 years old, living in New Mexico, and experiencing a first episode psychosis (FEP). In addition, the Early FEP Program offers community outreach, provider training, and case consultation across the state of New Mexico. The HCA/BHSD is required to utilize 10% of community mental health block grant funding through SAMHSA to fund this program. In addition to Block Grant funding services are also Medicaid funded. <https://unmhealth.org/services/behavioral-health/psychosis.html>

HCA/BHSD funds the Coordinated Specialty Care model for First Episode Psychosis. This is an evidence-based model that is strongly encouraged by NIH and SAMHSA to provide comprehensive community-based supports to individuals in their first episode of psychosis who are at risk of developing schizophrenia. This model includes therapy, education and support for families, vocational and educational support to encourage participation in school and employment, low dose medication, and case management through a team of providers. National studies demonstrate positive outcomes for this approach including reduced symptoms, reduced hospitalizations, improved family relationships, increased retention in education and increased employment and long-term cost savings and return on investment. **Several of the national studies included New Mexican samples including individuals from Spanish speaking and Native American backgrounds confirming that this model is effective in our populations.**

Effective December 10, 2024, the Health Care Authority approved Adult Accredited Residential Treatment Centers for Mental Health, for adults with serious mental health conditions. (8.321.2 NMAC) The application process for this new level of services is currently being updated through the Behavioral Health Services Division.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

This population will be able to get services through the approved evidenced based services including the expansion of the ACT program and FEP as well as AARTCs and Mesilla Valley Hospital in the area. This will also soon include Residential Treatment Services. The aforementioned services are funded by Medicaid.

AMENDMENTS

None