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FISCAL IMPACT REPORT

SPONSOR: McSorley DATE TYPED: 3/9/01 HB _____
 SHORT TITLE: Substance Abuse Treatment Act SB 786
 ANALYST: Esquibel

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$40,000.0*			Recurring	General Fund

***These funds would be available in FY02 and subsequent fiscal years for appropriation from the “substance abuse treatment act fund”.**

(Parenthesis () Indicate Expenditure Decreases)

Relates to appropriation in the General Appropriation Act for approximately \$12 million for community-based substance abuse funding.

Relates to HB2, SB98, SB9, HB198, HB238, SB392, SB418, SB479, SB628, HB783, HB177, HB344, HB355, HB487, HB704, HB918, HB919, SB200, SB313, SB315, SB523, SB781, SJM14

SOURCES OF INFORMATION

Attorney General’s Office (AG)
 NM Health Policy Commission (HPC)

No Response
 Department of Health (DOH)
 Department of Public Safety (DPS)
 Municipal League
 Association of Counties

SUMMARY

Synopsis of Bill

Senate Bill 786 appropriates \$40 million from the general fund to the “*substance abuse treatment act fund*” to carry out the provisions of the Substance Abuse Treatment Act.

The bill provides for the following:

- Establishes the Substance Abuse Treatment Act and fund to be administered by DOH;

- Requires DOH to promulgate rules for the award of substance abuse treatment grants;
- Defines qualifying grant applicants;
- Limits the amount of funds and portions of grants that may be used for administration;
- Establishes criteria for grant applications;
- Establishes the application review panel to be appointed by the Secretary of DOH;
- Requires the submission of an annual report to the governor and the Legislature; and
- Appropriates \$40 million in general fund.

FISCAL IMPLICATIONS

The appropriation of \$40 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY02 or in subsequent fiscal years *shall not revert* to the general fund.

Continuing Appropriations

This bill creates a new fund entitled the “*substance abuse treatment act fund*” and provides for continuing appropriations. The LFC objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

Expanding Medicaid coverage (see HB238, SB392, SB418, SB479) to TANF recipients and other low-income uninsured populations may provide certain substance abuse treatment services available under Medicaid to more New Mexicans while maximizing the potential for federal Medicaid matching funds.

OTHER SUBSTANTIVE ISSUES

The HPC indicates:

- DOH’s Behavioral Health Services Division administers the following substance abuse services through direct services and contractual services with community-based programs and health facility programs throughout the state:
 - Methadone Maintenance
 - Intensive Outpatient Treatment
 - Social Detoxification
 - Medical Detoxification
 - Funding for DOH programs includes federal grant funds, state appropriations, Medicaid, county indigent funds, HSD pass through funds, and DOH contracts. Many of these services are contracted out to community-based facilities and hospitals.
- ◆ DOH’s Behavioral Health Services Division (BHSD) funds approximately 40 mental

health/substance abuse prevention and treatment facilities in New Mexico including regional public health clinics and community-based primary care clinics which may offer limited mental health and substance abuse counseling.

- In 1999, BHSD awarded \$1.8 million to 23 prevention programs throughout the state.
 - BHSD is restricted by a prevention block grant to allocate funds in a limited manner including
 - Alcohol programs--35%
 - Drug programs--35%
 - Prevention--20%
 - 114,000 people have received BHSD prevention services
 - 12,000 registered for substance abuse treatment
- ◆ The federal substance abuse prevention and treatment (SAPT) block grant has disseminated federal funding to New Mexico programs throughout the state. Seventy percent of this total grant is allocated for community-based drug and alcohol treatment services. The total amount of funding available from the SAPT for FY01 is approximately \$1,468.2.

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