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## FISCAL IMPACT REPORT

SPONSOR Papen DATE TYPED 01/31/04 HB \_\_\_\_\_

SHORT TITLE Dona Ana Inpatient & Mental Health Services SB 417

ANALYST Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
\$1,700.0		See Narrative		Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB 90

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)

Human Services Department (HSD)

Children Youth & Families Dept. (CYFD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 417 appropriates \$1.7 million to the Department of Health (DOH) for expenditure in FY04 and FY05 in Dona Ana County. The purpose of the bill is to design, plan and operate a pilot project that provides access to care for mentally ill adults. The bill also provides for the operation of a prototype Assertive Crisis Team (ACT) plus outpatient services. The adults must display symptoms of serious mental illness and appear to be dangerous to themselves or others. The services provided will be inpatient services in a secure facility. The bill contains an emergency clause.

### Significant Issues

Rio Grande Behavioral Health Inc. (RGBHS) contracts for inpatient psychiatric services for Dona Ana County as part of Behavioral Health Region 3. RGBHS indicated that they provided a total of 66 admissions for inpatient psychiatric care. Inclusive of the 66 admissions, there were 3 readmissions within thirty days. The assumption is that the acute care provided was adequate to meet the needs of those admitted (as evidenced by the low readmission rates).

HSD states that based on collaboration with DOH staff, there is no documentation currently submitted to the Behavioral Health Services Division (BHSD) staff that supports this level of need within this county for these types of services. It is suggested that supportive documentation of the need for this significant amount of funding for Dona Ana County be submitted to DOH for closer review and consideration.

### **PERFORMANCE IMPLICATIONS**

HSD points out that discussion of ACT models have occurred in the Medicaid Behavioral Health Steering Committee over the last twelve months and there have been significant criticism voiced by client advocates about the potential use of these models within New Mexico. The primary criticism voiced by some has been that ACT models are not based on a recovery-driven model. If an ACT pilot is initiated through this bill, performance requirements need to be included that incorporate consumer-friendly, recovery-driven standards.

### **FISCAL IMPLICATIONS**

The appropriation of \$1,700.0 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 05 shall revert to the General Fund.

HB90 requires the development of a pilot project to provide inpatient treatment in a secure facility and the operation of a prototype assertive crisis team plus outpatient services. DOH indicates that by using the lowest current inpatient bed day rate paid to Memorial Medical Center as the base figure and multiplying it by twelve beds (twelve beds is the “break even” point for a secure unit) for 365 days over, \$1.9 million would be needed just to provide inpatient service. The bill does not contain enough funding for both items according to DOH.

Currently, in Region 3, which includes Dona Ana County, 615 individuals are registered as “Seriously Mentally Ill” and 1,313 as having co-occurring disorders of mental health and substance abuse. Approximately \$1,100,892 is available in Dona Ana County to serve “priority one clients” which are defined as: “...are over 18 with serious mental illness or co-occurring disorders who are at or below 100% of the current Federal Poverty level and are uninsured.

HSD & CYFD question the emergency clause designation in the bill.

### **ADMINISTRATIVE IMPLICATIONS**

DOH/BHSD would have another facility to oversee. This would require additional FTE not provided for in the bill.

It is recommended, by HSD, that if the need for HB90 is substantiated, New Mexico client advocates currently participating on the Behavioral Health Steering Committee should be included in the prototype discussions and development due to their consumer-related concerns of the ACT models in other states.

### **TECHNICAL ISSUES**

DOH notes that the bill lacks a clear definition of several terms including: secure facility, dangerous to self or others, assertive community crisis team, outpatient follow-up.

### **ALTERNATIVES**

It is suggested by DOH to allow the Behavioral Health Design Purchasing Collaborative to reach fruition before pursuing these issues further. Where proposed funds contained in the bill would be best used could be determined based on social indicators and the Behavioral Health Needs and Gaps analysis.

**BD/dm**