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FISCAL IMPACT REPORT

SPONSOR Moore DATE TYPED 1/25/05 HB 75

SHORT TITLE 8 County Alcohol Treatment Center SB _____

ANALYST Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$22,500.0			Recurring	Tobacco Settlement Program Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Health Policy Commission (HPC)
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 75 appropriates \$22.5 million from the tobacco settlement program fund to the Department of Health for expenditure in FY06 through FY10 for the purpose of funding eight-county regional alcohol treatment center and intensive aftercare and transitional living programs in Curry, De Baca, Guadalupe, Harding, Quay, Roosevelt, San Miguel, and Union counties. The bill distributes the funding as follows:

- \$11 million dollars for a regional alcohol treatment center and inpatient alcohol treatment facility in Fort Sumner that will provide alcohol treatment services to Curry, De Baca, Guadalupe, Harding, Quay, Roosevelt, San Miguel and Union counties, pay for the use of the facility, staff and operating expenses as defined in the bill, and provide for quality assurance and evaluation services to monitor alcohol-related statistics; and
- \$11.5 million for intensive aftercare and transitional living programs to enhance programs in Curry, De Baca, Guadalupe, Harding, Quay, Roosevelt, San Miguel and Union counties, including a comprehensive alcohol treatment aftercare and follow-up program; a youth treatment and aftercare program; a transportation system for treatment; a coordination, planning

and evaluation program to be administered by at least 2 representatives of the county health and wellness councils of each county; a board of advisors that is not paid but will receive per diem and mileage representing each county that will participate in alcohol prevention and treatment-related programs; and quality assurance and evaluation services to monitor alcohol-related statistics.

Significant Issues

DOH notes a question exists as to whether an appropriation for the regional alcohol treatment center and aftercare programs could be funded by an appropriation from the tobacco settlement program fund. The appropriation identified in the bill is for a regional alcohol treatment center with intensive aftercare and other related programs, and the intended appropriation of funds for that purpose from the tobacco settlement program fund would be within the Legislature's express authority. There is, however, currently no mechanism by which monies from the tobacco settlement permanent fund are appropriated or transferred to the tobacco settlement program fund. Under NMSA 1978 § 6-4-9(B), beginning in FY03 and continuing through FY06, 100 percent of the tobacco settlement program funds are required to be distributed to the general fund. It is not until FY07 that any funds from the tobacco settlement general fund may be transferred to the tobacco settlement program fund, and even then the distribution is limited to 50 percent of the money distributed to the tobacco program general fund.

In sum, although an expenditure from the tobacco settlement program fund of the type anticipated by the bill would likely be permitted by the language of NMSA 1978 § 6-4-9, there appears to be no statutory mechanism for funding the tobacco settlement program fund until FY07. In short, because there appears to be no funds statutorily available from the tobacco settlement program fund until FY07, there also appears to be no specific appropriation available to fund this bill. The bill would necessarily be required to be funded by general fund monies.

If the intent is to appropriate the money from the permanent fund, it should be noted 6-4-9D NMSA 1978 states, "The tobacco settlement permanent fund shall be considered a reserve fund of the state and, as a reserve fund, may be expended in the event that general fund balances, including all authorized revenues and transfers to the general fund and balances in the general fund operating reserve, the appropriation contingency fund and the tax stabilization reserve, will not meet the level of appropriations authorized from the general fund for a fiscal year. In that event, in order to avoid an unconstitutional deficit, the legislature may authorize a transfer from the tobacco settlement permanent fund to the general fund but only in an amount necessary to meet general fund appropriations."

FISCAL IMPLICATIONS

The appropriation of \$22.5 million contained in this bill is a recurring expense to the tobacco settlement program fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the tobacco settlement program fund.

ADMINISTRATIVE IMPLICATIONS

DOH indicates the bill would have little administrative implications for the department. The funds would be passed through the department to the state entity that is chosen to coordinate care in these eight counties. Oversight about quality of services provided and fiscal accountability

would remain as DOH responsibilities.

TECHNICAL ISSUES

HPC notes, to add clarity to the bill, the following terms could be defined: alcohol treatment center and intensive aftercare and transitional living programs. Additionally, the bill does not specify what the alcohol related statistics will include, and it is unclear how the statistics will be collected.

DOH states behavioral health services currently being provided will be transferred to the new state entity chosen through the procurement process for the Behavioral Health Purchasing Collaborative. The collaborative mandates the state entity provide access to care through an integrated, coordinated continuum of behavioral health services for eligible adults. This continuum of care will include any services funded through this bill so that starting July 1, 2006, management and oversight of these services will be provided by the state entity.

OTHER SUBSTANTIVE ISSUES

DOH notes New Mexico has among the worst alcohol-related health outcomes in the nation. New Mexico's death rate from causes directly associated with alcohol has been first or second among the states, for each of the last 20 years (CDC Wonder). These deaths are considered to be the outcome of chronic heavy alcohol use.

Additionally, according to the 2002 National Survey on Drug Use and Health, New Mexico ranks 5th in the nation, overall, in "percent reporting that need but are not receiving treatment services for alcohol use". New Mexico ranks 10th in this category among both 12-17 and 18-25 year olds, and 5th among persons aged 26 and older (National Survey on Drug Use and Health/Substance Abuse and Mental Health Services Administration).

The eight counties targeted by this legislation have a large range of direct alcohol-related death rates. San Miguel and Union have the 2nd and 4th highest rate in the state, respectively. Other counties affected are well below the state rate (Quay, Curry and Roosevelt), De Baca, and Harding have the lowest rates in the state (NMDOH's 2004 Social Indicator Report).

DOH indicates it is not currently possible to assess unmet need for alcohol treatment services at the county level. However, the eight-targeted counties have current alcohol treatment rates that range from well above the state rate (San Miguel, Quay, Roosevelt) to well below the state rate (DeBaca, Curry, Harding) (NMDOH Social Indicator Report).

The department states the bill also would require the residential and the after-care-transitional living programs to perform quality assurance and evaluation services to monitor alcohol-related statistics. The bill refers to "alcohol-related statistics" which may benefit from further definition.

Finally, the bill provides, within the appropriation, funding for a youth treatment and after-care program. The state entity could consider funding a number of school-based behavioral health service sites. Currently the Human Services Department and the Children, Youth, and Families Department provide funding for substance abuse services for youth.

HPC collects Hospital Inpatient Discharge Data (HIDD) and indicates the following regarding the 8 counties mentioned in this bill:

- From the inpatient discharges recorded in 2000 HIDD, only 2 of the 8 counties exceeded the statewide rate for patient days per 1,000 residents for the treatment of Drug & Alcohol Dependency (Annual Report of 2001 HIDD, NM Health Policy Commission).
- From the inpatient discharges recorded in 2001 HIDD, only 3 of the 8 counties exceeded the statewide rate for patient days per 1,000 residents for the treatment of Drug & Alcohol Dependency (Annual Report of 2001 HIDD, NM Health Policy Commission).

4 out of 8 of the counties mentioned in the bill exceeded the state mean average for DWI crashes per 100,000 population for the year 2002 (Quick Facts 2004, NM Health Policy Commission).

HPC also indicates a previous analysis report (fiscal impact report) for similar bill (HB131) introduced in 2004 legislative session states:

“DOH recognizes a shortage of substance abuse treatment funding for all levels of treatment services and specifically states that there is an absence of alcohol residential treatment beds in the northeastern area of New Mexico. The closest publicly funded residential treatment beds are in Roswell, Carlsbad, and Albuquerque.

“However, the need for an alcohol treatment center operated in De Baca County may not be justified. According to the Office of Epidemiology of DOH, which maintains the state repository and database for DWI offenders screened for alcohol/drugs, a total of 1747 DWI offenders were screened from the eight county area mentioned above, during the period from July 1, 1999 to June 30, 2002. Of that total screened, 104 or 6% were recommended for inpatient treatment services, 819 (46%) were recommended for outpatient treatment services and 824 (47%) were not recommended for any type of treatment services. DOH states that it might be more cost effective to increase funding to those providers already providing residential treatment services in Roswell, Carlsbad, and Albuquerque, thus expanding treatment bed capacity.

“According to the Center on Alcoholism, Substance Abuse and Addictions at UNM, most studies have shown no significant difference in the effectiveness between inpatient and outpatient treatment in reducing recidivism of substance abusers. The cost of inpatient treatment however, is significantly higher than that of outpatient treatment services.”

ALTERNATIVES

HPC indicates a statewide needs assessment could be performed to indicate which populations could benefit most from the services provided in the bill. The bill, as written, would provide services exclusively to residents of 8 mentioned counties. It could be revised based on the findings of the assessment.

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