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FISCAL IMPACT REPORT

SPONSOR Gonzales DATE TYPED 2/2/05 HB 597

SHORT TITLE Taos Alcohol & Substance Abuse Services SB _____

ANALYST Hanika-Ortiz

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$82.0			Recurring	General Fund

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Health Policy Commission (HPC)

Administrative Office of the Courts (AOC)

No response received from the Department of Health (DOH)

SUMMARY

Synopsis of Bill

HB 597 appropriates \$82 thousand from the general fund to the DOH for FY06 to contract for alcohol and substance abuse treatment services in Talpa, Taos County, to include curriculum materials, and professional and administrative services.

Significant Issues

Facts on Talpa, New Mexico

- Talpa is a rural community in Taos County, located on NM Highway 518.
- Taos County has a 2003 population estimate of 31,269 people, about 60% of whom are Hispanic.
- Per capita personal income in 2001 for Taos County was \$18,539, or \$4,542 below the state average.
- Taos County is one of 5 counties in NM that are a federally-designated Mental Health Professional Shortage Area (MHPSA).

The HPC reports on rates of alcohol and drug dependence by region (2002):

- Northwest (Cibola, McKinley, San Juan Counties) – 7.54%
- North Central and NE (Colfax, Harding, Los Alamos, Mora, Rio Arriba, Sandoval, San Miguel, Santa Fe, Taos and Union Counties) – 5.02%
- Southwest (Catron, Dona Ana, Grant, Hidalgo, Luna, Sierra, Socorro, and Valencia Counties) - 4.63%
- Southeast (Chaves, Curry, De Baca, Eddy, Guadalupe, Lea, Lincoln, Otero, Quay, Roosevelt, Torrance Counties) – 4.00%
- Bernalillo County – 5.95%

The HPC reports on substance abuse in New Mexico:

- The abuse of drugs is one of New Mexico's most serious problems. The effects are apparent and impact personal health, family, work, education, and the legal and correctional systems. In each of areas, the impacts of alcohol and illicit drugs, leading to illness, crime and the incarceration of large numbers of New Mexicans, can be seen.
- Across the United States, injection drug use has contributed to the spread of HIV/AIDS. In New Mexico, rates of HIV/AIDS infection are still low even among injection drug users; however, over 80% of injection drug users are infected with Hepatitis C, and over 60% with Hepatitis B. Over a period of years, these infections can lead to liver cancer, liver failure and possible eventual death.
- The DOH Behavioral Services Division has identified 128,000 adults in NM who have substance abuse problems. Of those, 32,000 sought treatment and counseling services and 7,000 were actually served as clients. Services are provided from community based treatment centers throughout the state.
- A study by the RAND Corporation found that every additional dollar invested in substance abuse treatment saves taxpayers \$7.46 in societal costs (crime, violence, loss of productivity, etc.)
- This same study found that additional law enforcement efforts cost 15 times as much as treatment to achieve the same reduction in societal costs.

PERFORMANCE IMPLICATIONS

HSD recommends HB 597 require planning and funds be coordinated with the Interagency Behavioral Health Purchasing Collaborative's goals and objectives; the local behavioral health collaborative for Taos County.

FISCAL IMPLICATIONS

The appropriation of \$82 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

The LFC FY06 appropriation recommendation is balanced between revenues and expenditures and any increase in recurring funding must be offset by reductions in other areas. The Legislature must consider all priorities and funding requirements to find revenue to support this legislation.

ADMINISTRATIVE IMPLICATIONS

The AOC reports the Behavioral Health Purchasing Collaborative, comprised of 15 state agencies including DOH, is currently reviewing responses to its RFP for a Statewide Entity. The Statewide Entity will be in place as of July 1, 2005, and at that time will begin to administer over \$200 million in substance abuse and mental health treatment funds that are currently administered individually by the Behavioral Health Purchasing Collaborative's 15 state agencies.

As of July 1, 2005, the substance abuse treatment services addressed by this bill will fall under the administrative responsibilities of the Statewide Entity, not the DOH. Pending selection of the Statewide Entity and negotiation of administrative mechanisms related to existing substance abuse and mental health treatment funds, it is not clear whether the request for additional funds in this bill will be allowed to go to DOH or have to be distributed in some other manner, if at all.

TECHNICAL ISSUES

The HSD recommends curriculum and clinical services be consistent with current, nationally recognized best practices for alcohol and substance abuse treatment services.

OTHER SUBSTANTIVE ISSUES

The HPC reports on alcohol abuse in New Mexico:

- Alcohol and other drug dependence rates in New Mexico are higher than the national average. The national prevalence rate for all groups is 4.8%, while the prevalence rate for New Mexico is 6.5%.
- Driving while intoxicated is the second largest category of offenses resulting in jail time.
 - Almost one-fourth of all New Mexico jail detainees have DWI offenses.
 - There were 13,737 total DWI convictions and 5,659 repeat DWI convictions in New Mexico in 2001.
- New Mexico consistently ranks high in the nation for alcohol-related motor vehicle fatalities per capita, although there has been a general decrease since 1988 (was 70%) in which NM was #1 in the nation. The number of New Mexico fatalities of alcohol-involved accidents in 2004 was 37.27%, or almost half of the 1988 percentage.
- Lack of treatment for substance abuse in New Mexico also has costs beyond the delivery of treatment services. Unrelated mental health and substance abuse disorders in New Mexico are estimated to cost the state's businesses, taxpayers and families more than \$3 billion annually.
- Alcohol consumption has been the leading cause of premature death in New Mexico. This was due to cirrhosis of the liver as well as alcohol-involved motor vehicle crashes,

suicide and homicide. In fact, our statewide rate of alcohol-involved traffic crash deaths was more than twice the national rate.

- Only one in-patient treatment facility and approximately 5 outpatient treatment facilities are in Taos County.

ALTERNATIVES

See administrative implications.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

Persons in need of alcohol and drug treatment services may be underserved which could negatively impact the Talpa community and the Taos County healthcare systems in general.

AHO/lg