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## FISCAL IMPACT REPORT

SPONSOR Gonzales DATE TYPED 3/3/05 HB 957

SHORT TITLE Intensive Outpatient Program Development SB \_\_\_\_\_

ANALYST Hadwiger

### APPROPRIATION (in \$000s)

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$100.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

Department of Health (DOH)

Children, Youth and Families Department (CYFD)

Department of Corrections (DOC)

### SUMMARY

#### Synopsis of Bill

House Bill 957 appropriates \$100,000 from the general fund to the Department of Finance and Administration (DFA) for development and expansion of an intensive outpatient program for substance abuse clients in Taos, Colfax and Union counties.

#### Significant Issues

According to the Department of Health (DOH), Executive Summary & Highlights of "Behavioral Health Needs & Gaps in New Mexico," untreated mental health and substance abuse disorders in New Mexico are estimated to cost the state's business, taxpayers and families more than \$3 billion annually. The report also found that:

- (1) For every dollar spent on alcohol and other drug treatment, \$7.14 is saved by reductions in other social, governmental and economic costs.
- (2) For every dollar invested in mental health services, there is a \$10.00 savings in other social, governmental, and economic costs.

(3) For every dollar spent on substance abuse prevention, treatment, and research; \$41.43 is spent by the State on the consequences of substance abuse in other programs.

DOH noted that these three counties (Taos, Union and Colfax) ranked 9<sup>th</sup>, 11<sup>th</sup> and 22<sup>nd</sup>, respectively, for alcohol related death rates per 100,000 population in New Mexico from 2000 – 2002 (2004 Social Indicator Report). While in the same report drug related death rates were as follows: Taos ranked 12<sup>th</sup>, Colfax ranked 19<sup>th</sup> and Union ranked last.

### **FISCAL IMPLICATIONS**

The appropriation of \$100,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 would revert to the general fund.

### **OTHER SUBSTANTIVE ISSUES**

DOH noted that their Community Programs Bureau has existing alcohol and substance abuse treatment services in Taos and Colfax counties. Taos/Colfax Community Services and the Rio Grande Treatment Center provide outpatient substance abuse treatment services for Taos, Colfax, and Union counties. Additionally, the behavioral health service system (including the provision of substance use treatment services) will be redesigned effective July 1, 2005 per the Behavioral Health Collaborative. One of the primary purposes of the design is to minimize fragmentation of services to leverage behavioral health dollars in a manner that will ensure quality services and cost efficiencies. The Corrections Department has contracts with outpatient substance abuse treatment providers in Taos County. Colfax and Union counties have limited services for outpatient treatment. The number of offenders under the supervision of the Corrections Department in Colfax and Union Counties is small.

Taos county is ranked second highest for state funded alcohol and drug treatment admission rates, per 10,000 population between 2001 – 2003 for clients 18 years and older per year (2004 *Social Indicator Report*). Colfax county is ranked 14<sup>th</sup> and Union county is ranked 19<sup>th</sup> per 10,000 population for 18 years and older per year.

### **ALTERNATIVES**

DOH suggested that one alternative would be incorporating these funds into the Behavioral Health Purchasing Collaborative Initiative.

**DH/yr**