

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/18/07

SPONSOR Gutierrez LAST UPDATED _____ HB 835

SHORT TITLE Mental Health Treatment Programs SB _____

ANALYST Hanika Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$5,000.0	Recurring	General fund

(Parenthesis () Indicate Expenditure Decreases)

Companion to HB 609

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 835 appropriates \$5 million from the general fund to the HSD for implementation and operation expenses for mandated community treatment and operating expenses for other outpatient mental health treatment programs for FY08.

FISCAL IMPLICATIONS

The appropriation of \$5 million contained in this bill is directed to HSD for operation expenses of outpatient mental health services; and, the implementation and operation expenses associated with the Mandated Community Treatment Act (Act) proposed by HB 609. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund. The Act will allow under certain circumstances specific types of individuals to petition the court for placement of an individual with mental illness into a program of mandated outpatient behavioral health services without regard for the respondent's ability to pay for those services.

The fiscal implications across New Mexico state departments, courts, or community programs regarding the service provision under the Act proposed by HB 609 are dependent on the number of petitions; the number of persons ultimately found subject to this Act; and the types, proximity, and intensity of services to which these persons are mandated. These numbers have been estimated differently by opponents and proponents of this bill and actuals are unknown at this time.

HSD reports that some individuals who will receive direct services with this proposed appropriation will likely be Medicaid-eligible recipients and the direct mental health services they receive might be a covered service through Medicaid. If this is the case, any monies used for this purpose will be eligible for federal match.

HSD further reports this bill is related to the Executive budget proposal of \$1 million for medications for persons who are not Medicaid eligible; and, the approximately \$8 million in General Fund (about \$29 million total) for additional mental health and substance abuse services for persons who will be Medicaid eligible once the eligibility for adults is raised to 100% of the federal poverty level.

Neither the Executive nor the LFC budget proposals for FY08 include dollars for mandated community treatment.

SIGNIFICANT ISSUES

If made available, \$5 million could provide training on psychiatric advance directives, for short-term mobile crisis intervention services, intensive outpatient services, assertive community treatment, medications and other community-based services that will help to prevent hospitalization or incarceration of persons with mental illness and/or addictions, thus preventing the need for a costly court-ordered service system.

PERFORMANCE IMPLICATIONS

The Behavioral Health Purchasing Collaborative noted the need for such funding in its November 2, 2007 motion. The Collaborative has also spent considerable time over the last several months identifying service needs for persons who might be subject to mandated community treatment and for other persons with behavioral health issues. These service needs were provided to the legislative interim committees and helped form the basis for the Executive and LFC proposals for additional behavioral health services for FY08.

ADMINISTRATIVE IMPLICATIONS

Any administrative impact on HSD is expected to be absorbed with available resources.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Companion to HB 609, Mandated Community Treatment Act

ALTERNATIVES

The alternative is to rely on existing dollars and new Medicaid expansions for such service

needs, although some who need such services will not be Medicaid eligible and some needed services will not be Medicaid reimbursable.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Individuals who may represent a threat to self or others due to mental illness and who refuse to accept treatment may still not be treated until they become an imminent threat to others or until they are subject to other civil commitment or treatment guardian laws.

Individuals who are not Medicaid eligible may have a difficult time obtaining access to services they need or to which they are mandated.

AHO/nt