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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/01/07  
 SPONSOR SPAC LAST UPDATED 2/15/07 HB \_\_\_\_\_  
 SHORT TITLE Addiction Recovery Act SB CS/271/aSPAC  
 ANALYST Geisler

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		Minimal, see narrative	\$3,500.0	\$3,500.0	Recurring	General
		Minimal, see narrative	\$8,500.0	\$8,500.0	Recurring	Federal

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Human Services Department (HSD)  
 Department of Health (DOH)

### SUMMARY

#### Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment to the Senate Public Affairs Committee Substitute for SB 271 changes from July 1, 2008 to July 1, 2007 the due date for submission of an amendment to the state medicaid plan to the federal centers for medicare and medicaid services.

#### Synopsis of Bill

The Senate Public Affairs Committee Substitute for Senate Bill 271 requires HSD to submit an amendment to the state medicaid plan to the federal centers for medicare and medicaid services no later than July 1, 2008 to provide a continuum of rehabilitative services to people with substance abuse problems. The continuum of rehabilitative services outlined in the amendment shall be no less than comparable to the continuum of services provided to people with mental health diagnoses.

## **FISCAL IMPLICATIONS**

HSD provides that given the lengthy process of state plan amendment (SPA) approval by CMS, the Department does not anticipate a significant fiscal impact in FY08 and believes that any expenditures that could arise from an earlier CMS approval (prior to July 1, 2008) could be managed within the existing Medicaid budget. Assuming CMS approval within the year, there would be a fiscal impact in FY09 of approximately \$3.5 million. With this level of state fund expenditure, there would be a federal match of approximately \$8.5 million.

## **SIGNIFICANT ISSUES**

HSD provides:

The current Medicaid benefit package as defined by the Medicaid State Plan is currently very limited in the area of substance abuse services for adults. The Behavioral Health Services Division is the primary public funding source for substance abuse services for New Mexicans age 21 and older, including substance abuse services for Medicaid-eligible adults. Adding substance abuse services to the benefit package for Medicaid-eligible adults would allow HSD to maximize Medicaid revenue through increased federal match.

HSD and the New Mexico Interagency Behavioral Health Purchasing Collaborative (Collaborative) support adding substance abuse services to the State Plan and have been evaluating the best way to accomplish this. Staff, with the assistance of national consultants, have been examining potential benefits and services that can be purchased by the Collaborative and included in the State Plan.

Adding additional services to the State Plan does not require any statutory changes; it does require that HSD submit a State Plan Amendment to CMS. The Department should not have a problem meeting the July 1, 2007 deadline proposed in this bill.

## **PERFORMANCE IMPLICATIONS**

HSD notes that having additional substance abuse services covered would help address some of the Governor's, the Collaborative's, and HSD's goals in the area of behavioral health, including maximizing state and federal funds through the Medicaid program and the federal substance abuse and mental health block grants to make the most of limited state and federal funds for community-based behavioral health services.

## **ADMINISTRATIVE IMPLICATIONS**

In addition to the State Plan Amendment, CS/SB271/aSPAC would also require the promulgation of new regulations and/or the revision of current regulations.

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