

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 2/26/2007
LAST UPDATED 3/2/2007

SPONSOR Lovejoy HB _____

SHORT TITLE Behavioral Health Purchasing Budget SB 1102/aSPAC

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 727

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)
Human Services Department (HSD)
Department of Labor (DOL)
Department of Health (DOH)
Children Youth and Families Department (CYFD)
Corrections Department (CD)

No Response Received From

Division of vocational Rehabilitation
Governor's Commission on Disability

SUMMARY

Synopsis of SPAC Amendment

1. On page 2, line 13 through 18, strike Subsection B in its entirety and insert in lieu thereof the following new subsection:

"B. The collaborative shall submit, through the human services department, a separate identifiable consolidated behavioral health budget request. The consolidated behavioral health budget request shall account for requested funding for the behavioral health services program at the human services department and any other requested funding for behavioral health services

from agencies identified in Subsection A of this section that will be used pursuant to Paragraph (5) of Subsection C of this section."

The amendment requires the Collaborative to submit a consolidated behavioral health budget to the Human Services Department. However, this does not require the appropriation be made to HSD and it eliminates the requirement to present the budget to the Legislative Finance Committee and other appropriate hearings. This makes the purpose of a consolidated budget unclear if it is not for the purpose of a consolidated appropriation or general information for targeted committees.

Since over 90 percent of the behavioral health budget resides at HSD, it is appropriate to designate that agency as the information conduit.

Synopsis of Original Bill

Senate Bill 1102 (SB 1102) adds language to §9-7-6.4 NMSA 1978 that updates the Interagency Behavioral Health Purchasing Collaborative (Collaborative) membership by changing the name of the Agency on Aging, Office of Indian Affairs, and the Committee on the Concerns of the Handicapped to their current names. In addition the bill requires the Collaborative to present a single budget for behavioral health services, representing income and expenses across agencies. The new language requires each agency that participates in the Collaborative to participate in the budget preparation, and requires the Collaborative co-chairs to present it before the legislative finance committee and other appropriate hearings.

FISCAL IMPLICATIONS

While there would be some fiscal impact but it would be minimal and un-determinate at this time. In fact, the existing item C (3) in SB1102 requires the collaborative to meet regularly and inventory all expenditures for behavioral health, including mental health and substance abuse.

SIGNIFICANT ISSUES

The changes should merely formalize the existing requirement to inventory all expenditures for behavioral health, including mental health and substance abuse. LFC performance audits report total FY06 Collaborative expenditures through ValueOptions as \$300 million. Of this total HSD is responsible for over \$253 million through the Medicaid program. DOH contributes another \$36 million leaving about \$11 million from CYFD and Corrections combined. Among the Collaborative's responsibilities is to develop a statewide master plan for delivery of services. Formalizing the budget presentation requirement is essential to development and implementation of a statewide master plan.

If the proposed transfer of the DOH Behavioral Health Division to HSD takes place over \$289 million of the \$300 million budget will be in one agency. At this point connecting the Collaborative state behavioral health policy to the budget will be even more important

POSSIBLE QUESTIONS

Should the entire behavioral health budget be consolidated and appropriated to one program with policy development from the Collaborative?