**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.**

# F I S C A L  I M P A C T  R E P O R T

**SPONSOR** Cote **ORIGINAL DATE** 1/28/09 **LAST UPDATED** **HB** 169

**SHORT TITLE** Safe House Act **SB**

**ANALYST** Earnest

## APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Non-Rec | Fund Affected |
|---|---|---|---|
| **FY09** | **FY10** | | |
| | $4,100.0 | Recurring | General Fund |

(Parenthesis ( ) Indicate Expenditure Decreases)

## SOURCES OF INFORMATION
LFC Files

Responses Received From
Human Services Department (HSD)
Department of Health (DOH)
Health Policy Commission (HPC)
Higher Education Department

## SUMMARY

Synopsis of Bill

House Bill 169 would create the Safe House Act to offer early intervention services in the least restrictive environment for persons needing behavioral health support but not hospitalization. The bill appropriates $4.1 million from the general fund to the Human Services Department to establish a pilot program of five safe houses for persons experiencing behavioral health crises.

## FISCAL IMPLICATIONS

The appropriation of $4.1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is $293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

## SIGNIFICANT ISSUES

HB169 directs HSD, as funds permit, to establish five safe houses – one in each of New Mexico's four geographic quadrants, and one in the Northwest part of the State dedicated to Native Americans. A safe house offers early intervention services that:

- serve both those eligible and not eligible for federal medical assistance programs;
- are staffed twenty-four hours a day by one or more peer support specialists and shall employ a full-time licensed clinician and a part-time psychiatric consultant;
- include peer support in helping residents perform daily public living skills and reentry into independent living;
- offer a mix of therapeutic services, including nontraditional tools for wellness and traditional behavioral health services; and
- accept a resident, funds permitting, on a first-come, first-served basis; provided that no resident shall live at a safe house except for a short term period (no longer than 12 weeks).

Early intervention services are defined as "services designed to provide a person, who has behavioral health disorders and who is experiencing symptoms, a safe, supportive and affirming home-like residence where the person may integrate the meaning of what the person is experiencing and regain equilibrium and the ability to relate effectively to other people. "Early intervention services" includes peer support with an emphasis on relationship-building."

HB169 directs HSD to promulgate rules for training and credentialing of peer support specialist to meet the following conditions before working in a Safe House:

- shall personally have experienced urgent behavioral health needs;
- Shall be certified as completing training in de-escalation techniques, cultural competency, race relations, the recovery process, and avoidance of aggressive confrontation.

According to HPC, the concept of a safe house is well documented in literature. The majority of these projects are directed at victims of domestic violence, teen runaways, recently released prisoners, or graduates of substance abuse treatment programs. The breadth of services offered to a person who has "behavioral health disorders" is relatively unique in a safe house environment. More traditionally these services have been offered through a community mental health center.

HSD suggests that bill needs clarification in the following areas:

1) Cost of Service:
    a. The costs of food, physical plant, furnishings, facility services, insurance, licensing costs, medications; access to medical services, will all have to be considered by programs proposing to deliver the services.
    b. Additionally, the bill does not specify if these houses will be purchased or leased in the respective communities. Without that information we are not able to determine if the appropriation contained in the bill will support 5 sites or the period of time in which the appropriation might be exhausted.
    c. As written, the program appears to be very expensive. The proposed funding

level is for 5 safe houses with a budget of $4,100,000. At 100% occupancy it would only provide 10,950 bed days per year (6-person per house times 5 houses times 365 days). The total budget at a 100% occupancy (which is unrealistic) generates a cost of $343.10 per person per day ($4,100,000 divided by 10,995 bed days). At 90% occupancy, the cost increases to $416.03 per person per day.

2) Licensing: Safe Houses may be subject to Department of Health (DOH) Licensing Regulations for Adult Residential Facilities which require health and safety issues be addressed. DOH and HSD, for the Behavioral Health Collaborative, would need to define the specific minimal staffing requirements for heath, safety and clinical supervision at each pilot site. Potential providers would then be required to meet those requirements in response to a Request for Proposals.

3) Liability issues, including injury or death of resident, staff, visitors or others, may increase both costs and administrative implications for both the program and the state.

4) Zoning: Many communities restrict the co-habitation of more then 5 unrelated adults in single family residences, meaning that Safe Houses might have to be zoned in a category other than single family. The Bill permits “no more than six voluntary residents”.

5) Staffing: HB 169 calls for a new range of training and certification of peer support specialists in New Mexico. The proposal is consistent with some model programs in other states using peer support specialists for pre- and post-crisis and residential support. HB169 also requires HSD to provide by rule for the training and credentialing of a peer support specialists and for additional training in specific topics. Currently Certified Peer Support specialists are not certified or trained to provide residential services in unsupervised settings with persons with urgent behavioral health needs. HB 169 does not specify how the twenty-four hours a day staffing by peer support specialists is to be supervised.

6) Eligibility and Referral Process: the Safe House Act does not establish eligibility beyond “first come-first served”, does not account for individuals with co-occurring or substance use disorder; is silent on cultural competency issues and does not specify the referral process.

7) Transition Planning: The Safe House Act limits residency to 12 weeks, but is unclear about how often a person could return in a year. Additional issues include accessing other housing options upon release, especially for residents without incomes. Another issue is the integration of on-going recovery supports upon discharge. While the services described in HB 169 are anchored in the principles of recovery, to be successful this program needs to be embedded with an array of services that address the needs of a person in a crisis or urgent state.

## ADMINISTRATIVE IMPLICATIONS

There will be some management and administrative costs, including rule promulgation, for HSD. These services would likely be procured through The Behavioral Health Collaborative or its contractor via a Request for Proposal targeted to reach the various communities across the state specified in the bill.

## WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

According to HSD, crisis services will continue to be developed as part of crisis systems development in consultation with Behavioral Health Local Collaboratives and the Statewide Entity to meet the particular needs of specific local communities as identified in purchasing plans and other local planning documents.

BE/mc