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

SPONSOR HAFC **ORIGINAL DATE** 02/27/15 **LAST UPDATED** 03/18/15 **HB** 212/HAFCS

SHORT TITLE Crisis Triage Service Reimbursement Rate **SB**

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications	See Fiscal Implications	See Fiscal Implications		

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH) an original bill
Human Services Department (HED) non original bill

SUMMARY

Synopsis of Bill

House Bill 212 enacts a new section of the Public Assistance Act that requires HSD to adopt and promulgate rules to establish a reimbursement rate for services provided to recipients of state medical assistance at a crisis triage center (CTC) where a CTC is defined as a health facility that is 1) licensed by DOH, 2) not physically part of an inpatient hospital or included in a hospital's license, and 3) provides stabilization of behavioral health crisis, including short-term residential stabilization.

DOH would be required to adopt and promulgate rules relating to the licensure of crisis triage centers pursuant to this Act by July 1, 2016.

FISCAL IMPLICATIONS

Regarding a similar bill HSD pointed out the following:

The HSD Medical Assistance Division (MAD) currently does not make reimbursements to CTCs; however, for various behavioral health populations, Medicaid does make payments for

some crises services and interventions and to providers on behalf of recipients who require crisis services in emergency rooms or clinics.

It is difficult to estimate a financial impact, although it is highly likely that some services rendered in CTCs would be less expensive than current costs, particularly if treatment at a CTC center prevented self-injury or escalation resulting in a hospitalization. It is also likely that there would be some cost shifting from various law enforcement entities to the Medicaid program.

Note also that Senate Finance Committee Report for House Bill 2 contains language directing $500 thousand to the Medicaid Behavioral Health Program of HSD for support of behavioral health regional crisis stabilization units; HB 212 would require DOH to adopt and promulgate rules relating to the licensure of such crisis triage centers, **which is necessary** to allow them to bill Medicaid for services. (SFC Report for HB 2 contains an additional $950 thousand for regional crisis stabilization centers contingent on approval of a state-tribal class III gaming compact approved by the first session of the fifty-second legislature which may also be available as state a match for Medicaid-billable services.)

SIGNIFICANT ISSUES

For a similar bill, HSD noted the following about rules regarding Medicaid reimbursements to CTCs:

- Under federal Medicaid rules, Medicaid will only make payments to a licensed CTC; if there are no provisions under state law for the CTC to be licensed by the state, Medicaid reimbursement would not be allowed.

- Also under federal Medicaid rules, if the Medicaid program were to pay for any room or board expenses, the facility would have to be accredited by the joint commission that accredits hospitals. The accreditation would not be required if room or board expenses were not paid to the facility by the Medicaid program. If a facility were affiliated with a certified hospital, the facility itself would not have to be accredited.

- Payment to a CTC would require approval by the Centers for Medicare and Medicaid Services (CMS) in the form of a Medicaid state plan amendment.

- CMS would also have to separately approve the reimbursement levels made to a CTC. HSD would have to demonstrate that any reimbursement met the federal standards for "reasonableness" for the service provided, after considering the costs of service.

Regarding a similar bill, DOH noted it recognizes the need for CTCs, as well as the need for such centers to be financially viable to continue long-term operations. Mental health crisis centers have been shown to reduce the hospitalization rate in communities and reduces costs to the healthcare system as a whole (Guo et al. 2001, "Assessing the Impact of Community-Based Mobile Crisis Services on Preventing Hospitalization"). In a 2008-2009 study, the Texas Department of State Health Services saw a measurable improvement in cost and outcome study by implementing a plan that included mental health crisis teams. (Texas A&M University 2010, "Evaluation Findings for the Crisis Services Redesign Initiative").

In November 2011, the House Joint Memorial 17 Task Force recommended developing and

funding regional CTCs (http://www.nmlegis.gov/lcs/handouts/House%20Joint%20Memorial%2017%20Task%20Force%20Recommendations.pdf). In Albuquerque, there has been an ongoing effort to develop a CTC since before 2004 (http://www.cabq.gov/council/documents/task-force-on-mental-health-documents/WertheimerFinal2004Report.pdf).

In Las Cruces, the Doña Ana Board of County Commission adopted resolution 2013-57 clarifying the County's intent and objectives for crisis treatment center (CTC) operations to include the following:

- The preeminent intent of the CTC is respectful assistance and support for individuals experiencing mental health crisis so that they do not harm themselves or others;
- Jail and hospital diversion is to be the primary purpose of the CTC;
- The CTC will conduct appropriate evaluations in a secure environment for persons detained by law enforcement in accordance with constitutional and statutory protections; and
- Operations of the CTC will be designed to meet the professional standards of law enforcement, and the requirements of law.

https://donaanacounty.org/sites/default/files/pages/CDM_DAC_CTC_October-2013-final.pdf

All counties in New Mexico have areas that are designated Health Professional Shortage Areas (HPSA) in the area of mental health by the US Health Resources and Services Administration (HRSA). Enabling establishment and operation of mental health crisis centers partially addresses this concern (http://hpsafind.hrsa.gov/HPSASearch.aspx).

ADMINISTRATIVE IMPLICATIONS

Regarding Medicaid reimbursements, HSD would have to submit a Medicaid state plan amendment to CMS and complete a study to determine reasonable reimbursement for CTC. HSD would have to issue rules for public comment prior to being finalized. Various programming changes would have to be made to accommodate making payment to a new type of provider.

CEB/aml/je/bb/je