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FISCAL IMPACT REPORT

ORIGINAL DATE 2/25/15
SPONSOR Zimmerman **LAST UPDATED** _____ **HB** 455

SHORT TITLE County Detention Behavioral Health Project **SB** _____

ANALYST Malone

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$264.6	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$264.6	\$0.0	\$264.6	Recurring	DFA-Special Appropriations

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, in the DFA Special Appropriations, for \$100 thousand for behavioral health for prisoners in southwest NM.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Administrative Office of the Courts (AOC)

Attorney General's Office (AGO)

Human Services Department (HSD)

New Mexico Corrections Department (NMCD)

SUMMARY

Synopsis of Bill

House Bill 455 appropriates \$264.6 thousand from the general fund to the Local Government Division (LGD) of DFA to fund a three-year demonstration project in Luna, Grant, and Hidalgo counties to provide evidence-based behavioral health services to inmates of county detention

facilities and those released from county detention center custody.

The bill dictates that the project will provide participants with evidence-based behavioral health services, coordination of treatment or referrals for treatment, supportive training, services for individuals who are ready for release from county detention center custody, life skills for such individuals, community case management services upon release, and a plan for continuous quality improvement of the services provided through the project.

The project will measure its progress in reaching the following goals:

- Decreasing recidivism
- Increasing inmates' success upon return to the community
- Decreasing detention center costs for behavioral health and substance abuse treatment services
- Increasing public safety

LGD is required to record the following data averaged among the Grant, Luna, and Hidalgo detention centers, using FY14 as baseline:

- Inmate average cost per day
- Cost per month for pharmaceuticals
- Monthly behavioral health transports
- Average per month of the time staff spends related to off-site behavioral health and physical health service visits
- Average number of county inmate hospital admissions related to behavioral health matters
- Average monthly recidivism rate

By November of 2016, 2017, and 2018, the director of LGD must report required data to the Legislative Health and Human Services Committee and the Legislative Finance Committee.

The funds are for use in FY16 through FY18 and any unexpended balance remaining at the end of FY18 shall revert to the general fund.

FISCAL IMPLICATIONS

The \$264.6 thousand dollar appropriation contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2018 shall revert to the general fund.

HSD notes that upon release from detention some individuals might qualify for Medicaid or other behavioral health service funding. Based on the counties' inmate rosters, an estimated 1,000 individuals are in the detention centers for the three counties. There is not sufficient information to estimate an anticipated potential cost for those services. Such individuals could be eligible for those services even without the program.

SIGNIFICANT ISSUES

AOC reports that research shows that many people involved in the criminal justice system often have complex and co-occurring health and behavioral health issues. In a study of more than

20,000 adults entering five jails, researchers documented serious mental illnesses in 14.5 percent of the men and 31 percent of the women, which taken together, comprises 16.9 percent of those studied. These jail rates are more than three to six times those found in the general population. Studies suggest that 10 to 15 percent of individuals in state prisons also have severe mental illnesses.

NMCD states that to the extent that the bill results in better behavioral health care to the current and former county jail residents in the three designated counties, it is likely to lower recidivism rates for those residents. Individuals who receive ongoing, effective behavioral health care to include substance treatment are less likely to commit new crimes, which would include felony crimes resulting in their incarceration in NMCD's prisons or placement on NMCD's probation caseloads.

Addressing the behavioral health needs of people reentering communities through comprehensive reentry planning and coordinating transitional services, such as those proposed through this demonstration project, has the potential to improve post-release outcomes.

ADMINISTRATIVE IMPLICATIONS

The bill places an unfunded burden on DFA, which the agency anticipates requiring the time of 1 FTE. Each year, several new programs are proposed to be administered through LGD, and DFA is concerned with LGD's ability to meet its critical statutory duties and its overall mission when its resources are redirected towards numerous small special projects.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Appropriation in the General Appropriation Act, in the DFA Special Appropriations, for \$100 thousand for behavioral health for prisoners in southwest NM.

TECHNICAL ISSUES

HB 455 states that the DFA will enter a Memoranda of Understanding (MOU) with the three listed counties. DFA should issue an Inter-Governmental Agreement instead of entering an MOU.

HB 455 states this as a three-year demonstration project appropriating \$264,620 for 3 counties, however the funding distribution process needs clarification.

AGO suggests that definitions may assist in clarifying the specific parameters of the services, and the manner in which they are to be delivered. For example, HB 455 may benefit from definitions of industry language, such as "evidence-based" and "promising-practice," at subsection A(1)(a), "supportive training" at subsection A(1)(c), "life-skills planning" and "life-skills classes" at (A)(1)(e), etc.

At subsection D, to clarify, the word "November" should be included in front of "2018."

OTHER SUBSTANTIVE ISSUES

It is unclear whether the appropriation is allocated to fund the behavioral health services

themselves, or if the funding for the services will come from traditional sources (Medicaid and other grants).

ALTERNATIVES

DFA states that it is not the appropriate agency to monitor behavioral health treatment. The HSD Behavioral Health Services Division's (BHSD) primary role is to serve as the Mental Health and Substance Abuse State Authority for the State of New Mexico. The Authority's role is to address need, services, and planning, monitoring and continuous quality systemically across the state. The BHSD works with the NM Behavioral Health Collaborative in establishing policy and in its contractual relationship with the Statewide Entity to implement strategies to manage the behavioral health system. Consequently, HSD may be a better agency to have administer this project.

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