

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 and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/18

SPONSOR Ely/Gentry LAST UPDATED _____ HB 217

SHORT TITLE County Jail Medicaid & Recidivism SB _____

ANALYST Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Significant	Significant	Significant	Significant	Recurring	General Fund, Other State Funds, Federal Funds, Local Government Funds

(Parenthesis () Indicate Expenditure Decreases)

House Bill 217 relates to House Bill 20, Prison Recidivism Reduction Program; House Bill 135, At-Risk Youth Interventions; and House Bill 160, Nonviolent Offender Interventions.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts

No Responses Received From

Human Services Department

SUMMARY

Synopsis of Bill

House Bill 217 (HB217) would amend Section 27-2-12.22 NMSA 1978 by expanding correctional facilities' responsibilities to incarcerated individuals who are or may be eligible for Medicaid. HB217 directs the correctional facility to:

- assist the Human Services Department (HSD) and its contractors in gaining access to incarcerated individuals to make eligibility determinations and enroll those eligible upon release;

House Bill 217 – Page 2

- Notify the department upon an eligible individual’s release; and
- Facilitate the department’s or its contractors’ provision of case management and evidence-based behavioral health services pursuant to the provisions of HB217.

Under the provisions of the bill, upon written request of a county, HSD shall provide a behavioral health screening tool, as well as information technology and technical assistance to the county jail, in order to implement the provisions of Section 2.

HB217 would create a new Section 2 directing a correctional facility to ensure that each inmate is screened for mental illness and for habitual substance abuse within 30 days of incarceration, and then offering qualifying inmates the opportunity to participate in a “recidivism reduction transition program,” as follows:

- A correctional facility that is not a county jail shall refer each qualifying inmate upon release to case management and evidence-based behavioral health services; the facility will assist the inmate in pairing such services with available funding, and facilitate the inmate’s enrollment in Medicaid.
- For a county jail, HSD shall upon written request provide a behavioral health screening tool and the information technology and technical assistance to the county jail needed to implement this section; and upon release from the jail, ensure the qualified inmate is provided with case management and evidence-based behavioral health services.

The bill proposes HSD shall assist the facilities seeking Medicaid reimbursement for recidivism reduction transition programs.

Section 2 defines the following terms:

- “behavioral health services” means the array of services for the treatment and identification of behavioral health disorders, such as mental illnesses and substance abuse disorders;
- “case management” means services that ensure all of a patient’s behavioral health services, primary and other health care needs, are coordinated;
- “correctional facility” means a state or privately operated correctional facility, county or privately operated jail, or a detention facility operated by the children, youth and families department;
- “qualifying inmate” means an inmate who has been diagnosed as having a mental illness or substance use disorder;

FISCAL IMPLICATIONS

HB217 does not include an appropriation. Under the provisions of the bill, there would be significant costs for staffing, information technology, screening, assessment, and costs to the Medicaid program and behavioral health programs around the state.

The substitute for House Bill 2 that was passed out of the House Appropriations and Finance Committee includes a \$500 thousand special appropriation to the Human Services Department (HSD) contingent on enactment of House Bill 20 or similar legislation to assist jails and prisons to initiate a recidivism reduction program.

SIGNIFICANT ISSUES

A 2012 Legislative Finance Committee program evaluation focused on individuals incarcerated in state prisons and noted the following:

- 95 percent of incarcerated offenders will be released back into the community;
- About 50 percent of offenders will return to prison within five years, with the average offender making three trips to a New Mexico correctional facility;
- Taxpayers pay costs of arresting, prosecuting, housing, rehabilitating and supervising offenders many times over.
- If current trends hold, offenders released in FY11 will cost taxpayers an estimated \$360 million in corrections costs alone over the next 15 years.
- Reducing recidivism, even by just 10 percent, can save millions.

[NM Legislative Finance Committee, “*LFC Results First: Evidence-Based Programs to Reduce Recidivism and Improve Public Safety in Adult Corrections*,” July 2013]

The Administrative Office of the Courts reports based on a study in Washington State, having Medicaid at release was associated with a 16 percent reduction in the average number of subsequent detentions, and enhanced community service use after jail release. [Morrissey J. et al. (2007). The Role of Medicaid Enrollment and Outpatient Service Use in Jail Recidivism Among Persons with Severe Mental Illness. *Psychiatric Services* 58:794-801.3; Morrissey JP, Steadman HJ, Dalton KM, Cuellar A, Stiles P, Cuddeback GS. (2006) Medicaid enrollment and mental health service use following release of jail detainees with severe mental illness. *Psychiatric services* 57:809-815]

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 160 would amend the powers and duties of the Human Services Department’s (HSD) Behavioral Health Services Division (BHSD) pertaining to nonviolent adult and juvenile offenders who have behavioral health diagnoses. The bill would require BHSD to create, implement, and evaluate for effectiveness a framework for targeted, individualized interventions that address those individuals’ behavioral health needs and connect them to resources and services that reduce the likelihood of recidivism, detention, and incarceration. Such services may include supportive housing, public assistance, medical assistance, behavioral health therapy and employment training.

House Bill 135 would amend the power and duties of the Behavioral Health Services Division of HSD to create, implement and continually evaluate the effectiveness of a framework for targeted, individualized interventions that address the behavioral health needs of nonviolent adults and juvenile offenders who have behavioral health diagnoses, and connect them to resources and services. Where House Bill 160 and House Bill 135 differ is that HB135 adds at-risk youth to the individuals served by the additional BHSD duties. HB135 also creates a county behavioral health transportation fund and allocates \$1 million to support that fund.

House Bill 20 requires that correctional facilities screen for mental illness and substance use disorder and help connect inmates to behavioral health services upon release. Depending on how the term “offender” is interpreted, there may be duplication of requirements for corrections

(HB20) and HSD (HB160).

OTHER SUBSTANTIVE ISSUES

The Human Services Department's Behavioral Health Services Division received a \$1 million allocation beginning in FY16 for the establishment of Behavioral Health Investment Zones in Rio Arriba and McKinley counties. Rio Arriba County has hired three case managers and a hub manager dedicated to the Opiate Use Reduction (OUR) Network and trained to disperse Narcan. Rio Arriba County is working with the First Judicial District to develop a joint powers agreement (JPA) enabling systematic pre-trial diversion from district court into the OUR network targeting 180 frequent jail utilizers. Once the JPA is finalized, it will cover the cost of court monitoring and attendant GPS equipment, and stipulate that all individuals diverted into community corrections will be case managed through the OUR Network.

RAE/jle