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

SPONSOR Martinez/Cisneros **ORIGINAL DATE** 2/12/18 **LAST UPDATED** **HB**

SHORT TITLE Substance Abuse Associate Reimbursement **SB** 212

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	**FY19**		
	$50.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	$0.0	$212.2	$212.2	$424.4	Recurring	General Fund
	$0.0	$1,035.8	$1,035.8	$2,071.6	Recurring	Federal Matching Funds
Total	$0.0	$1,248.0	$1,248.0	$2,496.0	Recurring	All Sources

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Senate Bill 227, Substance Use Disorder, and Senate Bill 126, Substance Abuse Associate Reimbursement.

SOURCES OF INFORMATION
LFC Files

Responses Received From
Human Services Department (HSD)
Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

Senate Bill 212 would allow licensed substance abuse associates (LSAA) to be reimbursed for certain services provided to Medical Assistance Program, or Medicaid, recipients. The Secretary of the Human Services Department would need to adopt rules for such services to be reimbursed in accordance with the Counseling and Therapy Practice Act.

The bill appropriates $50 thousand from the general fund to reimburse LSAAs under the provisions of the bill.

FISCAL IMPLICATIONS

The bill appropriates $50 thousand from the general fund to HSD to reimburse LSAAs for Medicaid allowable services and for administrative costs associated with implementation of the provisions of the bill. Any unexpended or unencumbered balance remaining at the end of FY19 would revert to the general fund.

The Human Services Department reports it is difficult to estimate the financial impact for the Medical Assistance Programs because it is not known how many state, county, and community programs there may be which currently receive no Medicaid funding but may be able to qualify for their LSAA to be paid by Medicaid for the services specified in the bill.

- There are approximately 450 LSAAs licensed in New Mexico. Many may already be employed by agencies to which Medicaid makes payment (such as Opioid Treatment Centers – Methadone Clinics), while others are employed by facilities to which Medicaid cannot make payment, such as correctional facilities.

- When the Medicaid program is already making payment to a provider for services at a rate that already includes the services of a Licensed Alcohol and Drug Abuse Counselor (LADAC) or an LSAA, that level of provider is already considered as having been covered in the "bundled" or "comprehensive rate" of another service.

- For estimating the additional cost to the Medicaid program, HSD estimates that approximately 40 LSAAs may enroll as Medicaid providers; approximately 50 percent of their time would be devoted to Medicaid recipients; and, of that time, approximately 50 percent of their services would be covered by the Medicaid program.

- By comparing their service to levels of payment for existing providers and services, it is anticipated that the average Medicaid payment would be approximately $60 per hour, inclusive of the supervisor's time.

Forty FTEs equal 83,200 hours annually. If 50 percent of those hours were spent serving Medicaid eligible recipients (41,600 hours), and 50 percent of the services delivered were services that Medicaid could cover, then 20,800 hours of services rendered by LSAAs would become payable under this bill. At $60 per hour, the calculated impact to HSD is estimated to be $1,248,000 annually, federal and state funds combined. The estimated federal match for this service is anticipated to be approximately 83 percent.

OTHER SUBSTANTIVE ISSUES

HSD reports the most recent edition of the annual New Mexico Healthcare Workforce Report documents the limitations in our state's SUD workforce (*2017 Annual Report*, October 2017). HSD, in concert with its partners on the Behavioral Health Collaborative, currently has response plans that address substance use disorder and behavioral health workforce issues and that promote timely, evidence-based services: the Behavioral Health Collaborative Strategic Plan, the Prescription Drug Overdose Strategic Plan, the Opioid STR Strategic Plan, and the Strategic Plan

for Adolescent Substance Use Reduction Efforts (operated out of CYFD). In addition, there are mechanisms in place to encourage and expand the substance abuse prevention workforce, such as requiring contracted providers to identify at least one staff person who must achieve Certified Prevention Specialist status within two years. The proposed inclusion of two services in the SUD Medicaid Waiver, SBIRT and residential services for adults with substance use disorders, will strengthen New Mexico's continuum of care and encourage workforce development through enhanced reimbursement. The bill would provide indeterminate additional resources to align and build upon these initiatives in support of a comprehensive response to the SUD crisis and its workforce requirements.

The bill's requirement to include changes in the licensing rules for substance abuse associates has the following implications:

1. Supervision Requirements:

   According to NMAC 16.27.13.9, licensure of LSAAs requires 90 hours of education and training in the areas of alcohol, drug, and counseling. The Counseling and Therapy Board considers the LSAA license to be a counseling license, which gives the licensed practitioner the ability to provide one-on-one services to clients. However, the LSAA license is a restricted license in the sense that the LSAA must practice under supervision at all times and the license and experience requirements for the supervisor are also very specific in the license provisions (*Counseling and Therapy Practice Board Rules and Regulations*, p. 35).

   Because the current rule for Licensed Substance Abuse Associates (16.27.13 NMAC) requires that the LSAAs practice under supervision at all times, that requirement must be followed in order for the Medical Assistance Programs to make payment. The Centers for Medicare and Medicaid Services (CMS) require a state to enforce the state's requirements regarding supervision of a provider.

2. The Human Services Department's Behavioral Health Services Division (BHSD) currently ensures that quality clinical supervision is occurring for master's level non-independently licensed clinicians. The revision in reimbursement for LSAAs suggests that they should be included in BHSD's oversight for quality assurance, which would increase administrative work for staff that supports that process.

3. Not all of services provided by LSAAs can be covered by Medicaid as coverage of some of the services is not allowed by CMS. Case management is restricted to specific kinds of "targeted" case management which CMS allows. Educational services and mediator services would not be allowed. Some services are not paid for separately from the primary behavioral health service including making referrals, education, reporting, or record keeping. Those are considered covered in the payment for the primary therapy or evaluation services. The same would be true of employing practice theory and research findings.

RAE/al