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FISCAL IMPACT REPORT

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| SPONSOR <u>Lujan/Hochman-Vigil</u> | LAST UPDATED <u>3/10/23</u> ORIGINAL DATE <u>2/17/23</u> |
| SHORT TITLE <u>Overdose Prevention Program</u> | BILL NUMBER <u>House Bill 263/aHJC</u> |
| ANALYST <u>Klundt</u> | |

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

| | FY23 | FY24 | FY25 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--|--------|--------|--------|-------------------|---------------------------|---------------|
| | \$96.6 | \$93.6 | \$93.6 | \$283.8 | Recurring | General Fund |

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent version of this legislation.

Sources of Information

LFC Files

Responses Received From
 Department of Health (DOH)
 Department of Public Safety (DPS)
 New Mexico Attorney General’s Office (NMAG)

SUMMARY

Synopsis of HJC Amendment to House Bill 263

The House Judiciary Committee amendment to House Bill 263 restricts the department from collecting “the full name or address of participants, except as required by law for testing, treatment of infectious disease or other medical treatment.”

Synopsis of House Bill

House Bill 263 (HB263) would amend the Harm Reduction Act to create an overdose prevention program, which would allow for the operation of overdose prevention facilities, and provide liability protections for individuals operating or utilizing overdose prevention programs. The amendments would limit the data the Department of Health could collect in association with harm reduction programs, require the department to promulgate rules about the operation of overdose prevention programs, and require the department to provide program participants with a safe and hygienic space to consume previously obtained substances under the supervision of trained personnel.

FISCAL IMPLICATIONS

DOH reported an annual operating budget impact of \$96.6 thousand the first year and \$93.6 thousand recurring for FTE to manage oversight.

Overdose prevention program sites require funding to operate and maintain in order hire and train staff, provide medical equipment and supplies, and ensuring the site is clean and safe. An overdose prevention program or safe injection sites are not currently eligible for Medicaid reimbursement in New Mexico. LFC is unsure of the funding sources to set up sites. This bill does not contain an appropriation, and LFC assumes funding from local government, nonprofits, or other healthcare organizations could be funding source.

SIGNIFICANT ISSUES

Overdose prevention programs, are healthcare programs that provide a hygienic and safe environment for substance use under the supervision of trained healthcare professionals. These sites can offer access to sterile injection equipment, overdose prevention measures, and other support services such as counseling, medical care, and referrals to treatment services.

Some research has shown overdose prevention programs or safe injection sites can be an effective harm reduction strategy and can have benefits including:

1. By providing sterile injection equipment, the sites can reduce the spread of infectious diseases caused by needle sharing.
2. Preventing overdose deaths through the presence of trained healthcare professionals who can provide immediate medical attention.
3. Encouraging entry into addiction treatment by serving as an entry point to access substance use disorder treatment services.
4. Reducing public drug use.

Overdose prevention programs are only one component of a larger harm reduction strategy and should be part of a broader public health approach to address drug use and addiction. It is also important to involve community members and other stakeholders in the planning and implementation of the sites to ensure their success and sustainability.

The legal status of safe injection sites in the United States is uncertain. This bill provide liability protections to a person involved in the Harm Reduction Program or the Overdose Prevention Program (including a property owner, director, employee, or participant) from civil or criminal liability for any act or conduct that occurs on the site or relating to the administration of a program unless the action violates established ethical rules or is negligent or reckless. Additionally, the bill prohibits the sale, purchase, or provision of controlled substances to participants.

DOH reported:

Opioid use is a primary driver of premature death in New Mexico, with rates of overdose both nationally and in the state rising quickly for a variety of reasons including the pervasiveness of fentanyl. Of the statewide overdose deaths in 2020, approximately 40 percent could be in part attributed to fentanyl use. Overdose prevention facilities are locations where individuals can consume substances in a supervised manner to prevent

overdose and other negative health consequences related to substance use, such as the transmission of bloodborne pathogens, and soft tissue injury.

Overdose prevention facilities have been in operation worldwide for many years but not in the United States until November 30th, 2021. A 2014 systematic literature review has shown they do not increase substance use, drug dealing, or crime in surrounding areas, but they do have the positive outcome of promoting safer consumption practices. Overdose prevention facilities reduce public consumption of substance and syringe litter. Currently sanctioned overdose prevention facilities operate in New York City; no overdose fatalities have been reported since operations began. Preliminary information also shows a significant reduction in cost associated with utilization of emergency rooms, hospitalizations, and emergency services.

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