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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 2/24/23

SPONSOR Ortiz y Pino

BILL
NUMBER Senate Bill 441

SHORT TITLE Behavioral Health Provider Shortage

ANALYST Esquibel

APPROPRIATION* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$10,000.0	Nonrecurring	General Fund
	\$10,000.0	Recurring	Community Behavioral Health Resources Development Fund

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

REVENUE* (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
	\$10,000.0		Nonrecurring	Community Behavioral Health Resources Development Fund

Parentheses () indicate revenue decreases.
 *Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HSD BHSD costs		\$234.9	\$234.9	\$469.8	Recurring	General Fund
HSD ASD costs		\$119.6	\$119.6	\$239.2	Recurring	General Fund
HSD ASD costs		\$143.6	\$143.6	\$287.2	Recurring	Federal Funds
Total		\$498.1	\$498.1	\$996.2	Recurring	General Fund, Federal Funds

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

Relates to appropriation in the General Appropriation Act

Sources of Information

LFC Files

Responses Received From

Human Services Department (HSD)

Regulation and Licensing Department (RLD)

University of New Mexico Health Sciences Center (UNM-HSC)

SUMMARY

Synopsis of Senate Bill 441

Senate Bill 441 (SB441) would create the community behavioral health resources development fund. The bill would appropriate \$10 million from the general fund to the community behavioral health resources development fund to address behavioral health provider shortages in counties with fewer than one FTE psychiatrist per 10 thousand people.

Money in the fund may be made available to

- (1) Behavioral health services providers who start new practices in communities located in counties with fewer than one FTE psychiatrist per 10 thousand people and serve clients who are Medicaid recipients or eligible for Medicaid to cover start-up costs incurred during the first year of operation;
- (2) Preceptors who supervise behavioral health provider trainees in psychiatry, psychiatric nursing, psychology, counseling, or clinical social work;
- (3) Nonprofit or private behavioral health services provider entities to compensate interns who have graduated from programs in psychiatry, psychiatric nursing, psychology, counseling, or clinical social work but are not yet licensed at a salary equivalent to that of a first year, licensed provider; and
- (4) Nonprofit or private behavioral health entities to compensate (a) graduate students in psychiatry, psychiatric nursing, psychology, counseling, or clinical social work performing internships or field work; and (b) the licensed behavioral health services providers who supervise those graduate students.

The bill provides the Human Services Department (HSD) shall administer the fund, and disbursements from the fund shall be made by warrant of the Department of Finance and Administration pursuant to vouchers signed by the secretary of HSD. HSD shall develop an application process, selection criteria for applicants, rules for the permissible use of the fund, and a system for monitoring the use of the fund.

No later than November 1, 2023, and annually thereafter, HSD shall report to the Legislative Health and Human Services Committee and the Legislative Finance Committee on the effectiveness of the fund and the purposes for which the fund has been used.

The bill has no effective date and would go into effect 90 days after adjournment if signed into law.

FISCAL IMPLICATIONS

The appropriation of \$10 million contained in this bill is a nonrecurring expense to the general

fund. Any unexpended or unencumbered balance remaining at the end of FY24 and subsequent fiscal years shall not revert to the general fund.

The appropriation of \$10 million is a recurring expense to the proposed community behavioral health resources development fund, and the bill provides for continuous disbursements from the fund for subsequent fiscal years for the purposes of the fund. Money in the community behavioral health resources development fund at the end of the year shall not revert to any other fund. This bill creates a new fund and provides for continuing appropriations. LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds because earmarking reduces the ability of the Legislature to establish spending priorities.

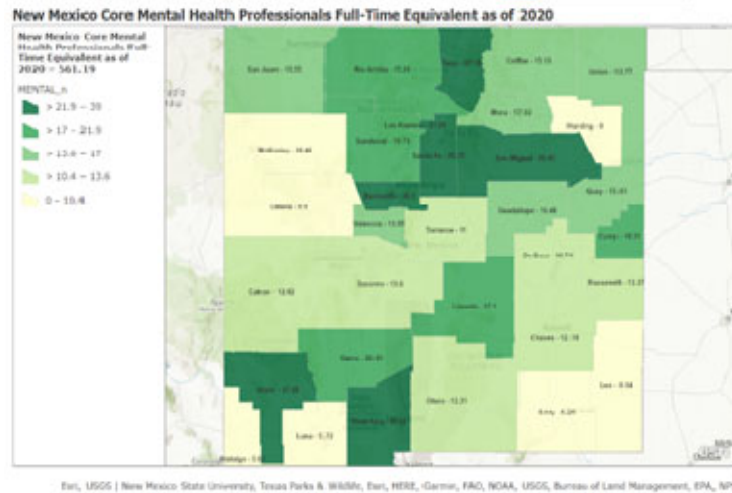
The General Appropriation Act as passed out of the House Appropriations and Finance Committee includes a special appropriation to the Higher Education Department for \$20 million for endowments to support financial aid, including scholarships and paid practicums, for New Mexico residents who are graduates of a New Mexico high school currently enrolled in a master's-level social work program at a state institution of higher education as enumerated in Article 12, Section 11, of the constitution of New Mexico and for clinical supervision services for licensed social workers post-graduation. HED must obtain certification from each higher education institution that the awards from this appropriation will supplement and not supplant spending at the institution's social worker program before making an endowment award.

The Human Services Department's Behavioral Health Services Division (BHSD) reports, to implement the provisions of the bill, BHSD would require 2 FTE at pay band 70 and 0.5 FTE of a supervisor at pay band 75, totaling \$234.9 thousand for salaries, benefits, and operating costs.

The Human Services Department's Administrative Services Division reports, to implement the bill, it would require 2 FTE at pay band 65 and a supervisor FTE at pay band 75 to budget the funds, process payment vouchers, monitor warrants, complete financial statements, and ensure state compliance and reporting requirements totaling \$263,178 for salaries, benefits, and operating costs.

SIGNIFICANT ISSUES

HSD reports the map below illustrates there is a shortage of behavioral health professionals statewide with New Mexico having 561.19 core mental health professionals.



ADMINISTRATIVE IMPLICATIONS

HSD notes SB441 does not specify the method of accepting applications or monitoring the use of funds. If applications are to be accepted via an online portal, then a cost estimate for IT system changes would be required.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

RLD notes the Behavioral Health Capital Funding Act was enacted in 2004 and is administered by the New Mexico Finance Authority. The purpose of the act is to establish a fund to “increase behavioral health services to sick and indigent patients.” The act provides that the fund consists of appropriations, loan repayments, gifts, donations, and interest earned on the investment of the fund. The Finance Authority must work in conjunction with the Department of Health to adopt rules to administer and implement the provisions of the act.

TECHNICAL ISSUES

RLD notes therapists are not explicitly included in the list of behavioral health service providers. Not denoting “therapists” could be an inadvertent exclusion of a large group of mental health professionals – marriage and family therapists and art therapists – from participating in the benefits of the fund.

OTHER SUBSTANTIVE ISSUES

UNM-HSC notes, even with creating this funding mechanism, there are likely to still be significant challenges with recruiting providers to rural and frontier areas of the state. The lack of clinical support systems, and the ability to have back-up resources for their practice will likely prove to be an ongoing barrier. In addition, without mitigation of the legal and regulatory issues that impede practice development it will likely be a challenge to get providers into these communities.

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