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FISCAL IMPACT REPORT

SPONSOR	Jaramillo/Chavez/Dixon/Garcia, H/ Armstrong	LAST UPDATED	
		ORIGINAL DATE	1/25/2024
SHORT TITLE	Foster Children Task Force	BILL NUMBER	House Memorial 10
		ANALYST	Garcia

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Health Care Authority		\$1.1	\$1.1	\$2.2	Nonrecurring	General Fund
CYFD		\$1.1	\$1.1	\$2.2	Nonrecurring	General Fund
Total		\$2.2	\$2.2	\$4.4	Nonrecurring	General Fund

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

Conflicts with Senate Memorial 5

Sources of Information

LFC Files
Casey Family Programs

Agency Analysis Received From
Children, Youth and Families Department (CYFD)
Health Care Authority (HCA)

SUMMARY

Synopsis of House Memorial 10

House Memorial 10 (HM10) convenes a joint task force by the Children, Youth and Families Department and the Health Care Authority to help remedy the minimal behavioral health services and residential treatment facilities for older foster youth.

The joint task force is charged with identifying methods to recruit and retain trauma-informed foster parents who can care for older youth with mental and behavioral challenges and making immediate and long-term recommendations to the Legislature to address foster children sleeping in state office buildings.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

HM10 does not provide an appropriation.

The convening of the taskforce would result in some administrative costs associated with travel and per diem to convene the taskforce. While agencies reported additional costs that might result from implementing the taskforce recommendations, the tables above list only costs associated with convening a taskforce.

CYFD reports the agency would need to send one staff member to taskforce meetings, analyze and prepare information and would absorb this work among existing staff. The agency estimates \$1,100 in mileage and per diem to send agency staff members to monthly task force meetings.

HCA reports the agency would need 2 FTE and 1 supervisor to assist the taskforce and implement long-term strategies resulting from recommendations from the taskforce, including helping CYFD and managed care organizations (MCOs) find appropriate placements for children and support CYFD with strategies to recruit and retain trauma-informed foster parents. The agency reported these administrative costs would total \$339 thousand.

SIGNIFICANT ISSUES

Kevin S., et al. v. Blalock, et. al. filed against the New Mexico Children, Youth and Families Department and HCA, formerly the Human Services Department (HSD), alleged that trauma-impacted children and youth in the child welfare system lacked safe, appropriate, and stable placements, and behavioral health services to address their needs. The Kevin S. settlement agreement and corrective action plan laid out milestones and actions to resolve the dispute, including:

- Improving CYFD caseloads;
- Building-out family-based placements;
- Bringing children placed out of state back to New Mexico; and
- Reviewing critical incidents regarding children placed in hotels, motels, offices, out-of-state, in shelters, or in congregate care and reducing these placements.

HCA cites a Harvard University study, which attributed the challenges related to finding placements for some children in state custody to:

- High acuity clients in systems with capacity constraints;
- Readmissions and a lack of outpatient resources;
- Low reimbursement rates and inefficient payment structures;
- Leadership and collaboration problems among entities; and
- A lack of meaningful coordination with stakeholders.

Casey Family Programs and the Child Welfare Information Gateway report other states have used a variety of strategies to recruit, train, and support treatment foster care providers, including:

- Implementing evidence-based models of therapeutic foster care, such as the Teaching-Family Model;
- Providing enhanced reimbursement and incentives;
- Professionalizing the role of treatment foster care providers, through licensing and

training;

- Building capacity for regular respite care; and
- Meaningfully involving treatment foster care families within multidisciplinary treatment teams.

CYFD reports currently collaborating with HCA to address the challenges of finding appropriate placements for youth in care with behavioral health needs. CYFD reports using ARPA funding to support the development of behavioral health services, and CYFD reports has establishing a treatment foster care workgroup and specialized foster care work group with HCA to discuss strategies for building service arrays. The agency reports the taskforce would duplicate these efforts and prolong implementation.

ADMINISTRATIVE IMPLICATIONS

HCA reports the agency would collaborate with CYFD to assist the task force in developing and implementing long-term strategy recommendations, and the agency would be responsible for implementing any Medicaid-related recommendations developed by the taskforce.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Memorial 5 would also create a taskforce to make recommendations about the child welfare system, including making recommendations about the availability and need for wrap-around and behavioral health services for families. Senate Memorial 5 identifies a broader group of task force participants and areas for making recommendations.

TECHNICAL ISSUES

HCA notes the bill lacks a definition of “older” youth.

HCA recommends replacing the language “behavioral challenges” with “behavioral health needs.”

OTHER SUBSTANTIVE ISSUES

HCA notes the state’s reauthorized Medicaid managed care program, Turquoise Care, identifies a single MCO (Presbyterian) who will be responsible for delivering services and managing care for all of the children in the CYFD cohort. Turquoise Care will begin July 1, 2024. HCA reports the agency is currently collaborating with CYFD to expand the provision of behavioral health services for children in the child welfare system.

In FY23, the Legislature appropriated \$20 million to develop more behavioral provider capacity for children. LFC reports in 2022 and 2023 noted little to no spending from this appropriation.

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