LFC Requester:	Chenier

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
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(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: *22JAN25*
Bill Number: *SB 3*

Check all that apply:
Original *X* Correction __
Amendment __ Substitute __

Sponsor: Wirth/Stewart/Sharer
Short Title: Behavioral Health Reform & Investment Act

Agency Name and Code Number: AOC 218
Person Writing Karl Reifsteck
Phone: 505-470-3214 **Email** aockwr@nmcourts.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	**FY26**		
$8.7M		N	GF

(Parenthesis ( ) indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	**FY26**	**FY27**		

(Parenthesis ( ) indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: SB 1 and SB 2, HB70
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: SB 3 creates the Behavioral Health Reform and Investment Act with the primary goal of expanding behavioral health services across the state, promoting the creation of regional plans for providing behavioral health services to behavioral health regions by implementing a sequential intercept model ("SIM") to create several avenues to identify and provide services to people with behavioral health needs.

In relevant part, SB 3 requires AOC to complete sequential intercept mapping, designate behavioral health regions within the state, and coordinate the development of regional plans by convening local stakeholders. AOC must also oversee annual reporting from behavioral health regions and administer grants to judicial districts.

FISCAL IMPLICATIONS

In order to fulfill the requirements of SB 3, AOC anticipates the need to create a wholly new division with new FTEs and to contract with professionals from several disciplines. SB 2 appropriates to the AOC this one-time funding:

1) $1,700,000 for expenditure in fiscal year 2025 and subsequent fiscal years for regional planning and sequential intercept model resource mapping statewide, including costs associated with monitoring, quality assurance and setting statewide standards related to relevant elements within regional plans; and
2) $7,000,000 is appropriated from the general fund to AOC for expenditure in fiscal year 2025 and subsequent fiscal years for:
    a. grants to judicial districts based on the submitted regional plans to enhance regional case management, behavioral health grant writing, peer-operated crisis response and recovery support services, behavioral health and homeless outreach and engagement; and
    b. grants to judicial districts based on the submitted regional plans for specialty, diversion, problem solving and treatment courts and associated programs and pretrial services.

AOC anticipates that this funding is adequate to support the initial SIM mapping project and fund the staff needed to accomplish the other objectives of SB 3 within 3 years. However, SB 3 contemplates ongoing oversight and coordination by AOC, for example, in managing the annual reporting to the Legislature for each behavioral health region. Recurring funding is necessary to support dedicated staff at AOC for this program.

SIGNIFICANT ISSUES

1) In order to fulfill the role envisioned by SB 3, AOC would have to create a new division staffed by experienced professionals specializing in behavioral health data and public policy. AOC must carefully tailor all behavioral health-related activities to avoid constitutional conflicts with Executive and Legislative functions and authorities.

2) Section 3 of SB 3 requires AOC to define behavioral health regions for the state. The

courts are not subject matter experts concerning either the criteria or data needed to competently evaluate and designate these regions. County and judicial district-focused regions might not directly correspond with regional behavioral health needs. For example, more rural parts of the state may benefit from regional consolidation of treatment resources covering multiple judicial districts or counties.

3) Section 3 also requires AOC to complete sequential intercept model resource mapping regionally. This is a large undertaking that would require three years or more to map the entire state given AOC's experience with current pilot programs. Although intermittent mapping has occurred in the past, information quickly becomes outdated and survey activities must be renewed regularly. AOC must therefore be prepared to undertake a comprehensive mapping project to ensure accurate data informs the plan development phase. SIMs mapping must be repeated regularly to remain effective. Because of this, the current draft is ambiguous as to who is responsible for the ongoing mapping efforts. In addition, the funding is only one-time, potentially creating an unfunded mandate. AOC recommends adding language to the bill to clarify that AOC's responsibility is for initial SIMs mapping only (see attached redline). The recurring need would then fall to each behavioral health region to address in its plan, although no entity is named for ongoing responsibility.

4) The success of regional behavioral health plans hinges upon consistent and productive participation of behavioral health stakeholders. Amendments suggested in the attached redline attempt to promote accountability and active participation from stakeholders as well as include additional necessary stakeholders that are not currently required to participate.

5) The AOC would also note that the target population is not identified. It appears the intent of the bill is to focus only on adults. However, the language of the proposal could be read to include children under 18 years of age. For instance, p. 2, l. 10 uses the word "patients" without specifying adults; p. 3, l. 9 uses "people" rather than "adults." At the same time CYFD and other child welfare agencies are excluded from the list of stakeholders, suggesting children are not the contemplated target population under this bill. If the intent of the bill is to include children under 18 years of age with behavioral health needs, then the required funding and work would increase substantially for AOC and others. Appropriate SIMS mapping of the intercepts as well as existing and needed services would also be substantially impacted with the inclusion of children.

PERFORMANCE IMPLICATIONS

AOC recommends additional funding for LFC for programmatic evaluation and performance measure development. Although SB 3 requires LFC to send evaluation criteria to AOC, this is before plan development. LFC analysts will likely need to review the plans, and provide in depth performance feedback and program analysis on an ongoing basis. AOC also recommends dedicated LFC staff to analyze the behavioral health investments, and a standing interim legislative committee solely dedicated to ensuring the efficient review of these initiatives. Productive and effective programmatic evaluation is essential to the success of the regional plans.

ADMINISTRATIVE IMPLICATIONS

AOC's primary mandate is supporting efficient court operations and programs statewide. AOC does not currently direct activities of local government, coordinate regional behavioral health initiatives, or oversee law enforcement. In order to fulfill the role envisioned by SB 3, AOC would have to create a new division staffed by experienced professionals specializing in behavioral health data and public policy. AOC would carefully tailor all behavioral health-related activities to avoid conflicts with Executive and Legislative functions and authorities.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

There are a number of existing statutes that may either directly or indirectly impact SB 3:

1) The Public Health Act - including the County and Tribal Health Councils
2) The Health Service Corp. Act - designed to recruit and place health professionals in rural and other medically underserved areas.
3) The Health Care Code - specifically the Interagency Behavioral Health Purchasing Collaborative

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

Housing is often a primary concern with populations in need of behavioral health treatment. The ability of the Mortgage Finance Authority and the Health Care Authority to promptly fund housing projects, even before regional plans are complete, may be an important component of the ultimate success of the program.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

The attached redline suggestions include expanded mandates for all agencies receiving appropriations through the Act to participate by providing information, data, and subject matter expertise. The suggested edits also require participating entities to write and implement their portions of the regional plan, and reporting to the appropriate legislative committees.

SENATE BILL

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO HEALTH; ENACTING THE BEHAVIORAL HEALTH REFORM AND INVESTMENT ACT; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be cited as the "Behavioral Health Reform and Investment Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the Behavioral Health Reform and Investment Act:

A. "behavioral health region" means a geographic area of the state that ~~encompasses one or more counties or judicial districts;~~is created in accordance with Section 3A.;

B. "behavioral health services" means a comprehensive array of professional and ancillary services for the treatment, rehabilitation, prevention and

identification of mental illnesses and substance misuse;

C. "behavioral health stakeholders" means representatives from the administrative office of the courts, behavioral health patients, behavioral health service providers, the health care authority, the department of health, the ~~university~~University of New Mexico health sciences center, the Department of Corrections, the Department of Finance and Administration for the New Mexico Mortgage Finance Authority, the Department of Public Safety, Indian nations, tribes and pueblos, local and regional governments, local and regional law enforcement agencies, local jails or detention centers, or other appropriate state or local agencies or entities;

D. "continuity of care plan" means a plan identifying the interrelationship of available and prospective behavioral health services for patients to ensure consistent and coordinated services over time;

E. "generally recognized standards for behavioral health" means standards of care and clinical practice established by evidence-based sources, including clinical practice guidelines and recommendations from mental health and substance misuse care provider professional associations and relevant federal government agencies, that are generally recognized by providers practicing in relevant clinical specialties, including:

(1) psychiatry;

(2) psychology;

(3) social work;

(4) clinical counseling;

(5) addiction medicine and counseling; ~~and~~

(6) Public Health Officials;

~~(5)~~(7) Certified Peer Support Workers and

~~(6)~~(8) family and marriage counseling;

F. "regional meeting" means a meeting held by behavioral health stakeholders at a government-owned facility within a behavioral health region;

G. "regional plan" means a plan that is developed collaboratively by behavioral health stakeholders to provide behavioral health services to a behavioral health region; and

H. "sequential intercept ~~resource~~ mapping" means a strategic planning tool that helps communities identify resources and develop plans to divert ~~people~~adults with mental health disorders and substance misuse away from the criminal justice system and into treatment.

SECTION 3. [NEW MATERIAL] REGIONAL PLAN--SEQUENTIAL INTERCEPT RESOURCE MAPPING--REPORTING REQUIREMENTS.—

A. The administrative office of the courts shall designate behavioral health regions, coordinate regional

meetings, complete initial sequential intercept ~~resource~~ mapping through 2027 and coordinate the development of regional plans. ~~If requested by the administrative office of the courts, behavioral health stakeholders shall provide support in coordinating regional meetings.~~

B. Any behavioral health stakeholder receiving appropriations pursuant to the Behavioral Health Investment Act shall participate in regional meetings, share relevant data as requested by any other behavioral health stakeholder, provide substantive expertise, develop relevant portions of the regional plans, and submit annual reports based on those plans.

~~B.~~C. A regional plan shall:

(1) include a ~~four-phase plan~~phased implementation for the continuation and expansion of behavioral health services;

(2) identify no more than five grant or state-funded priorities per phase;

(3) identify local resources that may help offset part of the costs associated with each funding priority;

(4) provide a time line and performance measures for each funding priority~~;~~ which includes a plan for developing data collection and infrastructure, performances measures, feasibility analysis and

sustainability plan;

(5) provide a continuity of care plan for the region; and

(6) when appropriate, establish a plan to obtain federal, local or private resources to advance a regional priority~~.~~; and

~~C.~~D. The administrative office of the courts shall distribute each regional plan to the legislature and the appropriate state agencies.

E. Any behavioral health stakeholder receiving appropriations pursuant to the Behavioral Health Reform and Investment Act shall report to the appropriate Interim Legislative Committee on the status of intercept mapping, regional plan development, implementation progress, and general regional plan status.

~~D.~~F. Beginning no later than June 30, 2027 and by every June 30 thereafter, the ~~administrative office of the courts shall designate a government entity within each behavioral health region to~~legislative finance committee shall, with contributions from any recipient of any grant or appropriation under the Behavioral Health Reform and Investment Act, provide a written report to the legislature and the judicial and executive branches of government that includes:

(1) the status of the implementation of each

regional plan;

(2) available data on performance measures included in each regional plan;

(3) public feedback on the implementation of each regional plan; and

(4) uniform responses to data requests made by a legislative committee, the administrative office of the courts or an executive agency.

(5) A list of qualified and approved MCO providers in each region that provide services described in this statute.

SECTION 4. [NEW MATERIAL] BEHAVIORAL HEALTH SERVICE STANDARDS.—

A. By June 1, 2025, the office of superintendent of insurance shall provide the administrative office of the courts with an initial set of generally recognized standards for behavioral health services for adoption and implementation in regional plans. The standards may be amended or updated to ensure that best practices of behavioral health services are delivered. ~~The administrative office of the courts, in consultation with the~~The office of superintendent of insurance and the health care authority, shall confirm whether or not each regional plan meets the behavioral health standards as set forth in the Behavioral Health Reform and Investment Act.

B. By June 1, 2025, the legislative finance committee shall provide the administrative office of the courts and the health care authority an initial set of evaluation guidelines for behavioral health services for adoption and implementation of regional plans. The evaluation guidelines shall include methods for evaluating the effectiveness of promising practices and behavioral health services not identified in Subsection A of this section. A promising practice is a program that has shown potential to improve outcomes or increase efficiency and is worthy of further study through a pilot implementation. The guidelines may be amended or updated at the request of the legislative finance committee or the interim legislative ~~health and human services committee. The administrative office of the courts, in consultation with the~~committee. The legislative finance committee, shall confirm whether or not each behavioral health service in a regional plan meets the evaluation guidelines as set forth in the Behavioral Health Reform and Investment Act.

A. **SECTION 5.** [NEW MATERIAL] BEHAVIORAL HEALTH INVESTMENTS.--Money appropriated to carry out the provisions of the Behavioral Health Reform and Investment Act:

A. shall be used to ~~fund~~address priorities and funding ~~gaps~~deficiencies identified in the regional plans;

B. shall be equitably distributed for all eligible priorities identified in each regional plan and shall prioritize funding behavioral health services for disproportionately impacted communities;

C. may be used to fund grants not more than four years in length that require annual reports to evaluate the effectiveness of behavioral health services delivered;

D. may be used to fund grants to cover costs of providing non-acute care behavioral health services to indigent and uninsured persons; and

E. may be used to ~~provide~~offer an advance disbursement of up to five percent for ~~emergency~~emergencies or unforeseen circumstances that ~~would negatively affect~~could adversely impact the contracted behavioral health services within the regional plan ~~if~~should funding ~~would~~ not be ~~made not available~~accessible.

SECTION 6. [NEW MATERIAL] UNIVERSAL BEHAVIORAL HEALTH CREDENTIALING PROCESS.--No later than June 30, 2027, the health care authority shall establish a universal behavioral health service provider credentialing and enrolling process for all managed care organizations to reduce the administrative burden on behavioral health providers.

SECTION 7. [NEW MATERIAL] PROHIBITION ON CAPS.--

A. A managed care organization shall not limit the number of new behavioral health patients that a behavioral

health service provider serves and can be paid for if the provider has the capacity to provide behavioral health services to those new patients insured under the managed care organization.

B. As used in this section, "managed care organization" means ~~a person eligible~~an entity that is qualified to ~~enter into~~engage in risk-~~based~~ ~~prepaid~~basedprepaid capitation agreements with the health care authority to provide health care and related services.

SECTION 8. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.