

LFC Requester:**Eric Chenier****AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(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:** 2/19/25

Check all that apply:

Bill Number: SB432Original Correction Amendment Substitute **Agency Name****and Code**HCA-630**Number:****Sponsor:** Sen Lanier**Short Title:** BH Grant Program and Fund**Person Writing**Jacqueline Nielsen & Carlos**Phone:** 505-709-5622**Email** Jacqueline.nielsen@hc**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$0.0	NA	\$0.0

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
0.0	496.0	496.0	Recurring	GF
0.0	1,755.8	1,755.8	Recurring	FF
0.0	2,251.8	2,251.8	Recurring	GF & FF

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
BHSD	0.0	51.6	51.6	103.2	Recurring	GF

MAD	0.0	496.0	496.0	992.0	Recurring	GF
MAD	0.0	1,755.8	1,755.8	3,511.6	Recurring	FF
Total	0.0	2,303.4	2,303.4	4,606.8	Recurring	GF & FF

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 432 (SB432) Creates the Behavioral Health Grant Program and non-reverting Behavioral Health Grant Program Fund from net receipts attributable to the liquor excise tax and the cannabis excise tax. The funds will be administered, and grants will be awarded by the local government division of the Department of Finance Administration (DFA). A portion of the liquor excise tax will be distributed to the Health Care Authority (HCA) to increase the Medicaid reimbursement for community-based programs, prevention services, treatment and screening for behavioral health conditions. Grants will be distributed to counties that submit an adopted county behavioral health plan or municipalities that submit an adopted municipal behavioral health plan.

FISCAL IMPLICATIONS

BHSD will need .25 FTE Program Coordinator position (Pay Band 70) at \$24,400, salary and benefits, and .25 FTE Supervisor position at \$27,200, salary and benefits, (Pay Band 75) total of \$51,600 each fiscal year to collaborate with DFA to develop guidelines to ensure equity when prioritizing and selecting grant recipients. This will also be to review applications submitted by municipalities and counties.

A distribution pursuant to Section 7-1-6.1 NMSA 1978 in an amount equal to two percent of the net receipts attributable to the liquor excise tax shall be made to the health care authority to increase Medicaid reimbursement for new or existing programs or services for the prevention, treatment and screening of behavioral health issues. The liquor excise tax distribution to the Medicaid program is overseen by the state Treasurer.

The fiscal impact to the Medicaid program in FY 2026 and thereafter is based on two percent of the Liquor excise tax collections, estimated to be \$24.7 million in FY 2026 (Revenue Consensus Committee). Accordingly, the fiscal impact includes \$496,000 of recurring General Fund revenue accruing to the Medicaid program. The GF revenue would be matched by \$1,755,779 in federal revenues, based on a blended federal financial participation rate of 78%. Therefore, the fiscal impact to the Medicaid program is \$2,249,779 in new funding available for BH provider reimbursements, as described above.

SIGNIFICANT ISSUES

Section 1A references the interagency purchasing collaborative Senate Bill 3 Section 3 repeals [Section 24A-3-1 NMSA 1978] that establishes interagency behavioral health purchasing collaborative.

Section 4 states net receipts attributable to the liquor excise tax shall be made to the local DWI grant fund, municipalities, drug court fund, the behavioral health grant fund, and the HCA. HB

460 Repeals the Liquor excise tax along with distributions made to the Liquor Excise Tax and the Local Driving While Intoxicated (LDWI) Grant Program Act.

The 2023 New Mexico Data book indicated that there was an alcohol-related death rates of 2,712.3 per 100,000 in 2020. Bernalillo and Doña Ana County are listed as the highest-ranking counties for alcohol related deaths.

<https://nmcdd.maps.arcgis.com/apps/instant/portfolio/index.html?appid=e208194e049b49afabbd51a8d85d5449>

Alcohol-related chronic liver disease (AR-CLD) accounts for the most deaths due to alcohol-related chronic disease in New Mexico. The high rates among American Indians and Hispanic males between the ages of 35 and 64 represent a tremendous burden in terms of years of potential life lost (YPLL). While Bernalillo County had the highest number of deaths due to AR-CLD (800 for the years 2017-2021), two counties that stand out for their very high rates were McKinley and Rio Arriba, which had rates that were five times or higher than the national rate.

<https://www.nmhealth.org/data/view/substance/2889/>

According to New Mexico Health Indicator Data and Statistics, 316,000 deaths per 100,000 population were alcohol related in New Mexico from 2016-2020 for individuals 25-64.

<https://ibis.doh.nm.gov/indicator/summary/AlcoholRelatedDth.html>

Funds that increase the Medicaid reimbursement rates for community-based programs, prevention services, treatment and screening may increase capacity for providers that support individuals struggling with alcohol use disorder. HCA aims to increase community-based resources statewide. Administering the funds to municipalities for the provision of alcohol use disorder services may expand community-based resources that are tailored to the needs of the specific communities.

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

BHSD will need to collaborate with the local government division of DFA to develop and use guidelines to ensure equity when prioritizing and selecting grant recipients that take into consideration geographic allocation, per capita deaths or accidents related to behavioral health issues, needs-based assessments, population and availability of existing programs and services review of applications.

MAD would require federal approval of rate changes through a State Plan Amendment. This bill will require a system change in the financial services IT system. This change will be part of maintenance and operations (M &O) and will be made at no additional cost. Medicaid rate changes can only be made with sustainability of ongoing state and federal funding.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Conflicts with : HB 460 Repeals the Liquor Excise Tax and the Local DWI Fund.

Relationship to:

HB 417 Amends the Liquor Excise Tax rates, distribution, etc.

SB 378 Amends the Liquor Excise Tax rates, distribution, etc.

SB 431 Amends the Liquor Excise Tax rates, distribution, etc.

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

The bill limits revenues accruing to the Medicaid program from state and federal sources, as specified by the current two percent distribution of liquor excise tax collections. The bill would have a larger multiplier effect on BH provider reimbursement if the Medicaid distribution were increased above two percent; for example, ten percent of liquor excise tax collections would yield \$2.5 million in general funds and \$8.8 million in federal matching funds, affording a total of \$11.3 million for BH provider reimbursements. Furthermore, the bill could be amended in order to target specific initiatives and therefore have a greater impact on specific BH practices and health outcomes.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS