SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 3

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

AN ACT

RELATING TO HEALTH; ENACTING THE BEHAVIORAL HEALTH REFORM AND INVESTMENT ACT; REPEALING A SECTION OF THE NMSA 1978; 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 is designated in accordance with Subsection B of Section 3 of the Behavioral Health Reform and Investment Act and encompasses one or more counties or judicial districts;

B. "behavioral health services" means a

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comprehensive array of professional and ancillary services for the treatment, rehabilitation, prevention and identification of mental illnesses and substance misuse, including telemedicine;

C. "behavioral health stakeholders" means representatives from the administrative office of the courts, the public defender department, the district attorney's office in the behavioral health region, behavioral health service recipients, behavioral health service providers, behavioral health care advocates, the health care authority, the department of health, the children, youth and families department, the university of New Mexico health sciences center, higher education institutions within behavioral health regions, Indian nations, tribes and pueblos, local and regional governments and other appropriate state or local agencies or nongovernmental entities, including school districts, local and regional law enforcement agencies, local jails or detention centers, behavioral health associations and local behavioral health collaboratives;

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

E. "disproportionately impacted community" means a community or population of people for which multiple burdens, including mental, substance misuse and physical stressors,

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inequity, poverty, limited behavioral health services and high unemployment, may act to persistently and negatively affect the health and well-being of the community or population;

F. "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;

(6) family and marriage counseling;

(7) public health officials; and

(8) certified peer support workers;

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

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

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

SECTION 3. [NEW MATERIAL] BEHAVIORAL HEALTH EXECUTIVE COMMITTEE.--

A. The "behavioral health executive committee" is created and shall be composed of:

(1) the secretary of health care authority;

(2) the director of the behavioral health services division of the health care authority, who shall chair the committee;

(3) the director of the medical assistance division of the health care authority;

(4) the director of the administrative office of the courts; and

(5) three behavioral health experts designated by the director of the administrative office of the courts.

B. The behavioral health executive committee shall:

(1) designate behavioral health regions;

(2) review and approve regional plans;

(3) establish funding strategies and structure based on approved regional plans;

(4) monitor and track deliverables and

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expenditures and address deficiencies and implementation issues of regional plans; and

(5) establish a project management strategy that shall be led by a project manager at the health care authority.

C. The behavioral health executive committee shall convene at least quarterly. Meetings of the committee shall be subject to the Open Meetings Act; provided that executive sessions are permitted when considering confidential or sensitive information.

D. The behavioral health executive committee shall report on a quarterly basis to the legislative finance committee on the implementation status of the regional plans.

SECTION 4. [NEW MATERIAL] REGIONAL PLAN--SEQUENTIAL INTERCEPT MAPPING--REPORTING REQUIREMENTS.--

A. The administrative office of the courts shall coordinate regional meetings, complete sequential intercept mapping and coordinate the development of regional plans. If behavioral health stakeholders request to participate in the development of a regional plan, the administrative office of the courts shall include those stakeholders in the development of the plan. If requested by the administrative office of the courts, behavioral health stakeholders shall provide support in coordinating regional meetings. The health care authority shall verify that nothing in a proposed regional plan

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jeopardizes the state medicaid program, and if something in the regional plan does jeopardize the state medicaid program, that section of the regional plan is void.

B. A behavioral health stakeholder receiving appropriations pursuant to the Behavioral Health Reform and Investment Act shall participate in regional meetings, provide substantive expertise, develop relevant portions of the regional plans, submit annual reports based on those plans and share relevant data as requested by a legislative interim committee, the administrative office of the courts or the health care authority.

C. For fiscal years 2025, 2026, 2027 and 2028, the administrative office of the courts and the health care authority shall collaborate to utilize current data to identify gaps in any existing sequential intercept mapping and supplement the mapping to ensure complete behavioral health coverage prior to regional plan finalization. Nothing in this subsection shall prevent the development of regional plans prior to the finalization of the sequential intercept mapping. Any grant or funding awards are contingent on finalized regional plans; provided that those regional plans shall be updated upon the completion of sequential intercept mapping.

D. A regional plan shall:

(1) include a phased implementation addressing behavioral health service gaps, including the continuation and

expansion of behavioral health services;

(2) identify no more than five grants or state-funded priorities per phase; provided that additional priorities can be identified if the health care authority determines that the service gaps in a behavioral health region are large enough to warrant more priorities;

(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 that include a plan for developing data collection and infrastructure, performance measures, feasibility analysis and a sustainability plan;

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

(6) consider the need for language access for behavioral health services in the region;

(7) when appropriate, establish a plan to obtain federal, local or private resources to advance a regional priority;

(8) include an appendix with a list of all behavioral service providers in the behavioral health region; and

(9) identify how regional plans will optimize, leverage or reinforce coordination with the state medicaid program as the primary payor of behavioral health services.

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

F. The health care authority, in consultation with the legislative finance committee and the legislative health and human services committee, shall determine baseline data collection points to be collected and reported in all reports subject to Subsection G of this section.

G. Beginning no later than June 30, 2027 and by every June 30 thereafter, the behavioral health executive committee shall designate a government entity within each behavioral health region to 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 and sequential intercept mapping;

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

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

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

(5) a list of qualified and certified behavioral health service providers in each region that provide

services described in the Behavioral Health Reform and Investment Act.

H. Starting May 1, 2025, and continuing through December 31, 2025, the administrative office of the courts shall provide the appropriate interim legislative committees and the health care authority a monthly update on the status of sequential intercept mapping and regional planning. After January 1, 2026, the administrative office of the courts shall provide quarterly updates on the status of sequential intercept mapping and regional planning to the legislature and the health care authority. The behavioral health executive committee shall provide the legislature quarterly updates on the implementation of regional plans starting when the regional plans begin to be implemented.

I. Higher education institutions within behavioral health regions shall coordinate with the health care authority, the workforce solutions department and other behavioral health stakeholders to create a behavioral health workforce pipeline for the behavioral health services identified within regional plans. A behavioral health workforce pipeline may include:

(1) pathways for people with lived experience to enter the behavioral health workforce;

(2) in-state and national recruitment of behavioral health professionals;

(3) increased awareness of behavioral health

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careers within middle and high schools in the region;

(4) optimization of state funding to enhance or create behavioral health educational opportunities within the behavioral health region; and

(5) making recommendations to the legislature to better address the behavioral health workforce needs of the region.

J. As New Mexico's single state authority, the behavioral health services division of the health care authority shall continue to oversee the adult behavioral health system, including programming and rulemaking. Nothing in the Behavioral Health Reform and Investment Act shall be interpreted to imply anything to the contrary. The health care authority remains the primary designated federal entity for the state medicaid program.

SECTION 5. [NEW MATERIAL] BEHAVIORAL HEALTH SERVICE STANDARDS.--

A. By June 1, 2025, the health care authority, in consultation with other state agencies that have behavioral health programs, 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 and any behavioral health service access priorities or gaps in the regions. The standards may be amended or updated to ensure that best practices of behavioral

health services are delivered. 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 and the health care authority shall provide the administrative office of the courts 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 legislative health and human services committee. The health care authority, in consultation with 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.

SECTION 6. [NEW MATERIAL] BEHAVIORAL HEALTH INVESTMENTS.--

A. Money appropriated to carry out the provisions

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of the Behavioral Health Reform and Investment Act:

(1) shall be used to address priorities and funding gaps identified in the regional plans;

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

(3) 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;

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

(5) may be used to provide advance disbursement of up to five percent for emergencies or unforeseen circumstances that could adversely impact the contracted behavioral health services within the regional plan should funding not be made available or accessible.

B. A behavioral health region may request to repurpose any unexpended balance of a grant subject to the Behavioral Health Reform and Investment Act to another identified funding priority within that region, and the health care authority shall approve that request if:

(1) no report is provided by the grant recipient as required by Section 4 of that act;

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(2) the grant purpose is not meeting performance measures identified in the regional plan; or

(3) the audit or evaluation required by Section 10 of that act finds the initial grant purpose to have been implemented ineffectively.

SECTION 7. [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 enrollment and credentialing process for medicaid to reduce the administrative burden on behavioral health service providers. No later than December 31, 2025, the health care authority, in consultation with the legislative finance committee and the legislative health and human services committee, shall establish a working group of health care licensing boards to streamline the process to verify behavioral health licensing and improve the overall behavioral health licensing process. The working group shall provide the legislature with statutory recommendations if needed.

SECTION 8. [NEW MATERIAL] BEHAVIORAL HEALTH SERVICES--LIMITATIONS.--The health care authority shall promulgate rules outlining the benefits and structure related to behavioral health services. Any limitation on the number of new behavioral health recipients that a behavioral health service provider serves and is paid for shall be consistent with standards of care for the behavioral health services provided

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to patients.

SECTION 9. [NEW MATERIAL] 988 AND 911 COORDINATION.--The state agencies that manage the 988 behavioral health emergency system and the 911 emergency system shall ensure the interoperability and bidirectionality of those systems to improve crisis and emergency response.

SECTION 10. [NEW MATERIAL] BEHAVIORAL HEALTH AUDIT AND EVALUATION REQUIREMENTS.--

A. The health care authority shall regularly monitor and audit contracts and grantees subject to the Behavioral Health Reform and Investment Act to ensure that behavioral health service quality standards are met and to ensure financial and programmatic compliance during the duration of an active regional plan. The health care authority shall complete a statewide gap analysis of adult behavioral health services every two fiscal years, beginning on July 1, 2027, that shall be used to inform regional plans and sequential intercept mapping. Any data requests made by the health care authority to a local government body related to the local government body's behavioral health programs, including financial information, shall be provided within thirty days of the written request and shall be shared with the administrative office of the courts and the legislative finance committee. The health care authority shall review regional plans for reasonableness of budget and service delivery to optimize

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infrastructure and behavioral health services throughout the state.

B. The legislative finance committee, in consultation with the health care authority, shall conduct or contract for program evaluations and reviews of the sufficiency of regional plans' program design and implementation plans to ensure that they can meet the stated objectives, including:

(1) review and assessment of the sufficiency of the regional plan, time lines and resources;

(2) review of the adequacy of functional, technical and operational requirements, capabilities and resources;

(3) identification of gaps and deficiencies in the regional plan; and

(4) review of the sufficiency of staff, other resources and partnerships.

C. During implementation of the Behavioral Health Reform and Investment Act, the legislative finance committee or a contractor retained by the legislative finance committee shall report on the following services and progress to the appropriate interim legislative committees, administrative office of the courts and the health care authority:

(1) ongoing, real-time review of project progress and deliverables;

(2) ongoing, real-time review of gaps,

resources and deficiencies; and

(3) ongoing verification of critical features, operations and program viability of grantees subject to that act.

SECTION 11. REPEAL.--Section 24A-3-1 NMSA 1978 (being Laws 2004, Chapter 46, Section 8, as amended) is repealed.

SECTION 12. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.