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FISCAL IMPACT REPORT

SPONSOR:	Gorham	DATE TYPED:	1/28/00	HB	
SHORT TITLE:	Developmental Disability Services			SB	78
				ANALYST:	Esquibel

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 4,000.0			Recurring	General Fund
			\$ 16.0	Recurring	General Fund
			\$ 10,992.5	Recurring	Federal Funds
			\$ 16.0	Recurring	Federal Funds

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

Department of Health

Human Services Department

Developmental Disabilities Planning Council

SUMMARY

Synopsis of Bill

The bill appropriates \$4 million to provide services to developmentally disabled persons not currently receiving these services under the state's developmental disabilities Medicaid waiver program.

Significant Issues

The Department of Health indicates that due to a tight labor market, developmental disabilities (DD) community providers are experiencing difficulty in recruiting and retaining direct care staff. A key issue is the low rate of entry salaries for direct care staff.

FISCAL IMPLICATIONS

The bill appropriates \$4 million in general fund in FY01 to the Department of Health (DOH).

DD services qualify for federal Medicaid (Title XIX) matching funds at a 73.32/26.68 service match ratio. Thus, the appropriation in the bill would leverage \$10,992.5 in federal Medicaid funds. The total program increase would equal \$14,992.5.

This funding amount would provide services to approximately 292 individuals (median of \$51.0 per client per year) if a sufficient infrastructure existed in New Mexico to deliver the services.

ADMINISTRATIVE IMPLICATIONS

The Human Services Department indicates passage of the bill would result in increased costs for the agency in the administration of the expanded waiver slots. The Human Services Department would require \$32.0 (\$16.0 in general fund, \$16.0 in federal funds) to fund the administrative costs.

The Department of Health indicates to implement the bill it would also incur significant additional administrative expenses within the Long-Term Services Division and the Division of Health Improvement.

TECHNICAL ISSUES

The bill does not address the important issue of enhancing DD community provider infrastructure in order to have services available within the state for people eligible to receive funding and services under the provisions of this bill.

DOH suggests allowing some of the proposed funding in the bill allocated to address the direct care staffing issue.

RAE/njw