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HOUSE MEMORIAL 4

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

John A. Heaton

A MEMORIAL

REQUESTING THAT THE AGING AND LONG-TERM SERVICES DEPARTMENT
LEAD A STUDY ON THE FINANCIAL IMPACT OF FACILITY-BASED CARE ON
THE MEDICAID BUDGET AND IDENTIFY ALTERNATIVE MODELS OF
FINANCING LONG-TERM CARE.

WHEREAS, the population of New Mexico over the age of
sixty-five is growing and will double by the year 2025 and, due
to medical advances, people are living longer, but not
necessarily healthier, lives; and

WHEREAS, the population of people over the age of eighty-
five is growing twice as fast as that of people over sixty-five
and these individuals are the most frail of the elderly; and

WHEREAS, a large and growing number of aging people are
suffering from the ravages of Alzheimer's disease and are
unable to care for themselves; and

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1 WHEREAS, the medicaid program in New Mexico covers the
2 cost of nursing home care and home- and community-based
3 services for the elderly and disabled and provides in excess of
4 two hundred twenty-one million dollars (\$221,000,000) in
5 combined state and federal funding for these services; and

6 WHEREAS, the cost of private nursing home care is
7 unaffordable for most people in need of nursing home care and,
8 therefore, most families have come to rely on medicaid to fund
9 this type of care for their elderly relatives; and

10 WHEREAS, people are finding that qualifying for medicaid
11 long-term services is relatively easy, despite seemingly
12 restrictive eligibility rules, and that this relaxed access has
13 resulted in an entitlement mentality regarding financing of
14 long-term care services, and use of private, out-of-pocket and
15 insurance financing for long-term services has languished while
16 medicaid costs have skyrocketed; and

17 WHEREAS, long-term care insurance, home equity conversion
18 and other alternative mechanisms of private financing have been
19 little used;

20 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
21 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the aging and
22 long-term services department be requested to conduct a study,
23 in cooperation with the human services department and the
24 appropriate statewide organizations representing aging and
25 long-term services, on the financial impact of facility-based

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1 and home- and community-based long-term care on the medicaid
2 budget and identify alternative models of financing long-term
3 care; and

4 BE IT FURTHER RESOLVED that the study identify appropriate
5 incentives to encourage self-care and the use of insurance,
6 explore potential ways to limit asset identification and asset
7 transfer and promote maximum medicaid estate recovery; and

8 BE IT FURTHER RESOLVED that the aging and long-term
9 services department be requested to support the efforts of a
10 statewide organization representing the needs of people with
11 Alzheimer's disease, and other organizations as appropriate, to
12 hold a conference exploring alternative models of financing
13 long-term care services; and

14 BE IT FURTHER RESOLVED that the aging and long-term
15 services department be requested to develop recommendations on
16 implementation of alternative mechanisms of financing long-term
17 care services and report the findings and recommendations to
18 the legislative health and human services committee in October
19 2006; and

20 BE IT FURTHER RESOLVED that copies of this memorial be
21 transmitted to the secretaries of aging and long-term services
22 and human services.