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FISCAL IMPACT REPORT

ORIGINAL DATE 01/23/14
SPONSOR Fajardo **LAST UPDATED** _____ **HB** 88

SHORT TITLE Home Care Service Provider Credentialing **SB** _____

ANALYST Weber

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY14	FY15	FY16		
		\$50.0 - \$100.0	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$50.0 - \$100.0	\$50.0 - \$100.0	\$100.0 - \$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, Relates to SB 14

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

Board of Nursing (BN)

Aging and Long Term Services Department (ALTSD)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 88 creates a voluntary certification procedure for individuals providing professional direct home care services in a residential setting for pay. DOH would promulgate rules to establish standards and procedures for the certification.

Those standards shall include:

1. Meeting minimum requirements for training in key competencies; and
2. Accreditation by a national professional direct home care services accrediting body.

A provider making application for credentialing must provide proof of having fulfilled a course of study that meets the DOH requirements established by rule.

The bill defines professional direct home care services as services provided by an individual who performs those services in a residential setting for pay, including: (a) personal care, such as dressing, bathing, eating, ambulating, toileting and hygiene; (b) administration of medication; and, (c) meal preparation.

DOH may charge fees that meet the cost of administering the program.

FISCAL IMPLICATIONS

DOH anticipates that if the bill is enacted there would not be sufficient staff to implement its components. The Division of Health Improvement (DHI) would have to develop and promulgate rules as required by the bill. Currently there is a lack of staff resource available to perform this function. DHI would need to develop the certification infrastructure prior to collecting any fees. It is likely that the rules would identify appropriate certification fees to cover the recurring cost of the program but non-recurring development costs would require an appropriation. However, the recurring revenue will be dependent on the number of applicants annually. Few applications could lead to very high individual fees or revenue that does not cover all costs.

It seems reasonable that 1-2 FTE would be required on a continuing basis to fulfill the purpose of the bill. These costs are reflected in the tables above with no revenue available in FY15 while the rules were being developed prior to the ability to collect any application fee.

SIGNIFICANT ISSUES

DOH also notes that nursing homes, home health agencies, hospice agencies, ICFs-MR and assisted living facilities are licensed by the DOH and required to have appropriate and necessary training programs for direct care staff. The requirements are monitored by the DHI through initial licensure and certification surveys. Many are also regulated by either New Mexico Medicaid or by the United States Health and Human Services Department, Centers for Medicare and Medicaid Services (CMS). Nursing homes also have an extremely rigorous and structured training program for Certified Nurse Aides (CNAs) that is carefully regulated by CMS Medicare. DHI oversees that process on behalf of CMS. Currently there are 8,585 CNAs in New Mexico. Since these state and national training requirements exist, it appears unlikely that individual care providers employed by these facilities would benefit from obtaining the voluntary certification that would be offered by HB 88.

There are individual direct care providers that are not employed by health care agencies such as those hired through self-directed care where the client hires and pays a direct care staff using funds provided through the Medicaid/Centennial Care programs. The training of care givers under these programs is not as extensive or as closely regulated as training required by the DHI licensure process. These direct care providers as well as the people who receive the care could benefit from the opportunity to become certified.

The Board of Nursing points out that the bill includes language regarding the “administration of medications” by non-licensed direct home care personnel. The Board of Nursing NPA and rules and regulations restrict the administration of medication to a person licensed or certified by the Board of Nursing. Only a licensed nurse or Certified Medication Aide would be authorized to administer these medications legally.

POSSIBLE QUESTIONS

Should the certification be mandatory?

Why would anyone voluntarily seek certification for this position?

MW/svb