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FISCAL IMPACT REPORT

ORIGINAL DATE 1/22/16
LAST UPDATED 1/31/16 **HB** _____

SPONSOR Soules/Herrell

SHORT TITLE Developmental Disabilities Annual Reporting **SB** 36/aSPAC

ANALYST Chenier

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$54	\$54	\$108	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Similar to Senate Bill 216 from the 2015 regular session

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Human Services Department HSD

SUMMARY

Synopsis of SPAC Amendment

Senate Public Affairs Committee Amendment to Senate Bill 36 strikes the \$25 million appropriation from the original bill.

Synopsis of Bill

SB 36a requires DOH to provide a report to the LFC and the Legislative Health and Human Services Committee on the supports and services provided pursuant to the developmental disabilities Medicaid waiver program. For each of the most recent five fiscal years, required elements in the report include data related to service numbers, waiting list numbers, financial data, and eligibility determination data. The bill also defines the terms “awaiting allocation”, “match determination”, and “registration”.

FISCAL IMPLICATIONS

To comply with SB36, the HSD Medical Assistance Division (MAD) estimates it would require one part-time FTE at \$36 thousand per year, inclusive of benefits and other operating costs, to collect data and ensure compliance. Fifty percent of this amount would come from the General Fund, and the remainder would be from federal matching funds.

At the time of this writing DOH had not responded to the amendment request, but similar to HSD, it is assumed DOH would require one part-time FTE to meet reporting requirements for this bill.

Additionally, DOH stated that more Information Technology (IT) support and staff time will be needed to track, compile, analyze and report the requested information, and the report would require close collaboration with IT support and staff at Human Services Department (HSD). New data collection/reporting systems would need to be developed and maintained.

SIGNIFICANT ISSUES

DOH provided the following:

New Mexico, like much of the nation, has a shortage of qualified personnel. Even with the current size of the Developmental Disabilities Waiver (DDW), recruitment and retention of qualified personnel is a significant and ongoing challenge for provider agencies and for individuals who hire their own support personnel through the Mi Via DD Waiver.

One of DDS's performance measures is the number of DDW participants, which is expected to grow larger over time as permitted by legislative appropriations and cost efficiencies. The program has grown from 3,838 participants in FY10 to 4,661 in FY15, with the largest increase of 379 participants occurring between FY13 and FY14 as a result of a \$4.6 million dollar appropriation and cost efficiencies resulting from the DDW redesign of FY12. Finally, a more robust data collection system would be needed to address the reporting requirements of this bill. This system would require collaboration with the Human Services Department (HSD).

The Task Force report responding to Senate Memorial 20 of the 2013 legislative session presents some of the issues related to increasing allocations to DDW. As one example, increasing allocations to DDW would require approximately 8% of any appropriation to be set aside for infrastructure development.

Based upon similar legislation from 2015, DOH is currently working on developing a report that would address many of the areas represented in this legislation. Once complete, this report will be produced on an annual basis.

Developmental Disabilities Medicaid Waiver Program

Fiscal Year	General Fund Appropriation to DOH	Expansion Funds and Associated Clients Authorized by Legislature	Clients Allocated with Expansion Funds	Clients Allocated from Underutilization, Ramp up, Reversion	Clients Allocated from Program Reform and Redesign	Expedited Allocations (emergency placements)	Total DD Waiver Allocations	Number on DD Waiver	Number on Waiting List	Average Annual Attrition	Average Cost Per Client	Reversion to General Fund
FY08	\$78,022,300	\$5,000,000 for 70 new clients	0	N/A	N/A	14	14	3,738	3,991	N/A	\$71,397	\$0
FY09	\$85,022,300	\$4,000,000 for 50 new clients	0	86	55	15	156	3,750	4,330	75	\$74,270	\$11,564,700
FY10	\$66,740,200	\$5,400,000 for 215 new clients	0	0	36	12	48	3,693	4,610	60	\$78,100	\$2,100,200
FY11	\$60,555,200	\$2,250,000 for 100 new clients	89	N/A	N/A	22	111	3,703	4,988	67	\$82,000	\$2,447,800
FY12	\$90,526,700	\$1,000,000 for 50 new clients	45	5	N/A	13	63	3,678	5,401	76	\$83,500	\$3,290,100
FY13	\$94,429,500	\$2,769,500 for 123 new clients	123	135	51	19	328	3,820	5,943	70	\$74,349	\$7,358,452
FY14	\$99,029,500	\$4,600,000 for 227 new clients	209	176	50	30	465	3,829	6,248	70	\$71,000	\$5,522,130
FY15	\$102,838,500	\$3,300,000 for 175 new clients	185	80	70	20	355	4,419	6,035	70	\$67,072	Non-reverting
FY16	\$103,292,700	\$450 for provider rate increases	0	141	50	20	211	4,630	6,365	70	\$65,960	\$0
FY17 (projected)	\$104,009,700	\$1,600,000 for 80 new clients	80	80	50	20	230	4,710	6,375	70	\$66,895	\$0

Source: Department of Health and LFC Files

Notes:

(1) Appropriations are from the other financing uses category in the General Appropriation Act (GAA) less the funding for the Medically Fragile Waiver. Drops in appropriation amounts in FY10 and FY11 were due to the supplanting of general fund with ARRA stimulus funds and low FMAP rates.

(2) The FY15 appropriation includes \$500 thousand for a DD Medicaid waiver provider rate increase, and the FY16 projected appropriation includes \$300 thousand for a rate increase.