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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/17

SPONSOR Ortiz y Pino LAST UPDATED _____ HB _____

SHORT TITLE Child Early Intervention Reimbursement Basis SB 11

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI	n/a	n/a

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Human Services Department (HSD)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 11 (SB 11) proposes HSD seek necessary authority under federal law to adopt and promulgate rules under the state’s medical assistance program (Medicaid) to provide for the reimbursement of preventive and early intervention services delivered to children on the basis of need without specifying as a condition of reimbursement that has a mental health diagnosis or be diagnosed as having a serious emotional disturbance.

FISCAL IMPLICATIONS

HSD indicates there are no fiscal implications because Medicaid currently provides services as outlined in the bill. See Significant Issues.

SIGNIFICANT ISSUES

HSD points out that Medicaid pays for medically necessary behavioral health professional services including assessments, evaluations, and therapy required by the condition of the medical assistance program (Medicaid) eligible recipient. See, 8.310.2.9 NMAC and 42 CFR Sections 440.

The definition of medically necessary services does not state that a diagnosis is required in order to access services. Services must be essential to prevent, diagnose or treat medical conditions or to enable an eligible recipient to attain, maintain or regain functional capacity. See, 8.302.1.7 NMAC. A medically necessary service may include an evaluation or assessment. A mental health diagnosis or determination of a serious emotional disturbance is not a requirement for a Medicaid eligible recipient to receive a preventive or early intervention service. Only a determination of medical necessity is required.

DOH notes the bill does not define “preventative or early intervention services...” however, the department states also that Medicaid pays for medically necessary behavioral health professional services including assessments, evaluations, and therapy as required by the condition of the medical assistance program eligible recipient, and a mental health diagnosis or determination of serious emotional disturbance is not required.

The term “early intervention” is used to describe the services provided by the DOH Family Infant Toddler (FIT) Program. Early intervention services are provided by the FIT Program in accordance with the Individuals with Disabilities Education Act (IDEA) Part C, 7.30.8 NMAC, and Medicaid’s 8.320.2.16 EPSDT Special Rehabilitation (Family Infant Toddler Early Intervention) Services.

Qualification for services through the FIT Program does not require a mental health diagnosis or a serious emotional disturbance. Children referred to the FIT Program receive an evaluation by a multidisciplinary team that determines whether the child has, or is at risk for, a developmental delay or disability. Alternately, children may be determined eligible for services if they have an ICD-10 “Z” code diagnosis. These diagnoses are categorized as “factors influencing health status and contact with health services.” The FIT Program also utilizes a crosswalk of the Diagnostic Classification of Mental Health and Developmental Disorders of Infancy and Early Childhood (DC:0-3) and ICD-10 codes to determine eligibility.

OTHER SUBSTANTIVE ISSUES

If SB11 proposes the use of the term “early intervention services” to refer to services provided by programs other than the FIT Program, then the use of this term could lead to confusion.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Medicaid will continue to cover medically necessary behavioral health professional services including assessments, evaluations, and therapy required by the condition of the medical assistance program (Medicaid) eligible recipient. See, 8.310.2.9 NMAC and 42 CFR Sections 440.

CB/al