

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/17

SPONSOR Padilla LAST UPDATED _____ HB _____

SHORT TITLE Add Rett Syndrome to DD Waiver List SJM 2

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)*

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	< \$250.0	< \$500.0	< \$500.0	< \$1,250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

*Assumes about 25 patients with Rett Syndrome who have no other coexisting conditions making them eligible for the DD Waiver are newly-eligible for Medicaid services under the DD Waiver at the estimated \$75.6 thousand cost per year with assumed 72 percent federal matching rate. If these individuals are currently receiving other services in the Medicaid program, the net increase in costs to the state would be reduced even further.

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 2 (SJM2) requests that the Department of Health (DOH) and the Human Services Department (HSD) seek “federal authority” (from the Centers for Medicare and Medicaid Services) to add Rett Syndrome to the list of conditions that qualify a person for services through the New Mexico Medicaid Developmental Disabilities Waiver (DD Waiver) program. DOH and HSD are further requested to report to the Legislative Health and Human Services committee (LHHS) on the status of the efforts to add Rett Syndrome no later than December 1, 2017.

FISCAL IMPLICATIONS

There would be no additional administrative costs for DOH or the human services department.

DOH makes the point that it is likely a person diagnosed with Rett Syndrome would already meet the current DD Waiver criteria because Rett Syndrome generally coexists with other conditions.

Senate Joint Memorial 2 – Page 2

However, if the fraction of individuals in New Mexico estimated to have Rett Syndrome (thought to be less than 100) who do not meet current waiver criteria were to become eligible, then those individuals could be expected to cost the state the average rate per client of \$75.6 thousand (includes state and federal dollars with the current match rate of 28/72) for a total cost to the state of less than \$500 thousand dollars in general fund revenue. However, even if those individuals are not presently on the DD Waiver, they might currently be receiving other Medicaid services, which could reasonably reduce the net additional cost per person much further.

SIGNIFICANT ISSUES

DOH explains that Rett Syndrome is a very rare neurodevelopmental disorder that almost exclusively affects females and is estimated to affect one in every 10,000 to 15,000 live female births worldwide (Vorsanova, Svetlana G., et al. "Neurological, genetic and epigenetic features of Rett syndrome." J. Pediatr Neurol (2004), 2(4): 179-190; http://www.rettsearch.org/Dataforms/files/RTT_Rev_JPN_2_179_04.pdf). This translates to approximately one newborn female annually in New Mexico who will receive a diagnosis of Rett Syndrome during her lifetime. The number of females in New Mexico living with Rett Syndrome is unknown but is currently estimated to be fewer than 100.

Current DD Waiver program criteria do not list Rett Syndrome as a sole qualifying condition; however, it is likely that a person diagnosed with Rett Syndrome would meet the current DD Waiver criteria because Rett Syndrome generally coexists with other conditions, such as intellectual disability, seizures, or autism, which are qualifying conditions for the DD Waiver program.

For FY18, the projected number of individuals on the DD Waiver is 4,735; the number on the waiting list is 6,693; the average annual attrition is 70; and the average cost per client is \$75,608.

PERFORMANCE IMPLICATIONS

None noted.

ADMINISTRATIVE IMPLICATIONS

None noted.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this bill is not enacted, individuals who have Rett Syndrome, without another underlying condition that qualifies a person for services through the New Mexico Medicaid Developmental Disabilities Waiver, will continue to be ineligible for enrollment into the DD Waiver program.

CB/jle