

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 02/05/17

SPONSOR O'Neill LAST UPDATED _____ HB _____

SHORT TITLE Informal and Family Caregivers SB SM1

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)*

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate	Indeterminate	Indeterminate	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

* Indeterminate without a thorough analysis of tax credits or “other mechanisms” that might be adopted as recommended by this bill.

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Memorial 1 (SM1) requests that:

- Meaningful financial assistance for informal and family caregivers through state or federal tax credits or other mechanisms be provided to ease the financial costs of care giving and improve their financial security;
- Reforms such as social security caregiver credits for time spent out of the workforce for family care giving be enacted;
- The state seek to expand publicly funded home- and community-based services programs that allow payment to informal or family caregivers of consumers in its renewal of the state's Medicaid waiver; and
- HSD be requested to require in its contracts with Medicaid managed care organizations (MCOs) that informal or family caregivers be reimbursed for care coordination activities.

FISCAL IMPLICATIONS

It is impossible to assess the financial impact of SM1 without a thorough analysis of tax credits or “other mechanisms” that might be adopted as recommended by this bill. Further, any expansion of home- and community-based services provided through the state’s Medicaid program could increase the cost of the state share of Medicaid services.

SIGNIFICANT ISSUES

Nationally, few programs will pay family members or friends on a regular basis to provide care; however, a few programs cover community-based long-term care services, such as in-home care and adult day services, whether or not such services are provided by a direct care worker or a family member.

New Mexico's Medicaid program Centennial Care includes long-term services that may be provided in a member's home, a residential setting, or in an institution, such as a nursing facility. To receive long-term care services, a member must meet certain criteria, and the services must be medically necessary. If a member meets the criteria, they are eligible to receive long-term services through the Community Benefit or nursing facility services. Individuals receiving Agency-Based Community Benefits under the Community Benefit can receive Personal Care Services in which an individual can pick a caregiver to help, including a family member.

Community Benefit services are those that help the member stay at home or in a community setting safely. Community Benefit services may be provided through Agency-Based Community Benefits (ABCB) or Self-Directed Community Benefits (SDCB).

Personal Care Services are special benefits for long-term care members who receive Agency Based Community Services. Personal Care Services help an individual at home or in another community setting instead of going to a nursing home. Basic personal care services help with eating, bathing, dressing, going to the bathroom, care of your teeth, hair, and nails when medically necessary. Members receiving Agency Based Community Services can get Personal Care Services when it is medically necessary for them to get help to stay in a community setting.

There are two ways an individual can get Personal Care Services: Consumer-Directed Model or the Consumer Delegated Model. Either way, an individual can pick a caregiver to help, including a family member, or stay at home or neighborhood and work with a provider contracted with the individual's managed care organization (MCO). The MCO and providers are tasked with making sure caregivers have passed a Caregiver Criminal History Screening Test and that they provide the right care and services.

OTHER SIGNIFICANT ISSUES

In a 2015 study by the National Alliance for Care giving and AARP (http://www.caregiving.org/wp-content/uploads/2015/05/2015_CaregivingintheUS_Executive-Summary-June-4_WEB.pdf) found an estimated 43.5 million adults in the United States have provided unpaid care to an adult or a child in the prior 12 months. About 18.2 percent of the respondents surveyed reported being caregivers. The estimated prevalence of caring for an adult is 16.6 percent, or 39.8 million Americans.

Approximately 34.2 million Americans have provided unpaid care to an adult age 50 or older in the prior 12 months. On average, they have been in their role for 4 years, with a quarter having provided care for 5 years or more (24 percent). Higher-hour caregivers are twice as likely to have been in their care giving role for 10 or more years. On average, caregivers spend 24.4 hours a week providing care to their loved one. Nearly one-quarter provide 41 or more hours of care a week (23 percent). Care giving is particularly time-intensive for those caring for a spouse/partner (44.6 hours a week).

Senate Memorial 1 – Page 3

When it becomes difficult to balance care giving with work, or if the demands of work come into conflict with one's care giving responsibilities, some caregivers make changes to their work situation. Six in 10 caregivers report having to make a workplace accommodation as a result of care giving, such as cutting back on their working hours, taking a leave of absence, receiving a warning about performance or attendance, or other such impacts. Higher-hour caregivers are more likely to report experiencing nearly all of these work impacts.

CB/al