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FISCAL IMPACT REPORT

SPONSOR Schmedes **ORIGINAL DATE** 1/29/2022
LAST UPDATED _____ **HB** _____
SHORT TITLE Center for Special Health Care Needs **SM** 9
ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$5.0-\$50.0					

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Developmental Disabilities Council (DDC)

SUMMARY

Synopsis of Memorial

Senate Memorial 9 directs the Department of Health to study the advisability and feasibility of a free-standing center for complex care for children, youth, and adults with special medical needs.

In further delineating the tasks assigned to DOH, the memorial adds more specific duties

- 1) Ways in which such a center could be of benefit and provide access to people of all ages with complex needs, including telehealth;
- 2) Strategies of finding more providers to meet the needs of this population;
- 3) Changes needed in current policies and programs and recommendations for new policies relevant to this population;
- 4) Discovery of more effective way of delivering services to this population; and
- 5) Improving efficiency of serving this population, working to ease the burden of disabilities on the individuals and their families.

A report is to be made to the Department of Health, the Department of Human Services, and the chair of the Legislative Health and Human Services (interim) Committee.

FISCAL IMPLICATIONS

There is no appropriation in Senate Memorial 9.

DOH notes a cost to that department as follows: “There will be some costs expected to be incurred as a feasibility study will take a certain level of expertise to conduct for instance a health economist might be best suited for this work. An estimate would be between \$5,000 and \$50,000.”

It is uncertain whether the costs would be incurred during the remainder of FY22 or will be entirely in FY23.

SIGNIFICANT ISSUES

The author cites the following in support of the aims of the memorial

- 1) CDC studies show less than adequate services for people with special health care needs in this state;
- 2) National data show just under 100,000 New Mexico children have special health care needs;
- 3) CDC data indicate that 28 percent of New Mexico adults, or 460,000, have functional limitation;
- 4) Services are limited for families of people with disabilities and for their health care providers;
- 5) There is currently no free-standing center such as the one proposed; and
- 6) Medically appropriate and coordinated care is important to the well-being of everyone, and especially those with complex medical needs.

The Centers for Disease Control and Prevention (CDC) estimates that one in six children in the US has one or more developmental disabilities or delays. In addition, CDC data regarding adults in New Mexico are available at <https://dhds.cdc.gov/SP?LocationId=35&CategoryId=DISEST&ShowFootnotes=true&showMode=&IndicatorIds=STATTYPE,AGEIND,SEXIND,RACEIND,VETIND&pnl0=Chart,false,YR4,CAT1,BO1,,,,AGEADJPREV&pnl1=Chart,false,YR4,DISSTAT,,,,PREV&pnl2=Chart,false,YR4,DISSTAT,,,,AGEADJPREV&pnl3=Chart,false,YR4,DISSTAT,,,,AGEADJPREV&pnl4=Chart,false,YR4,DISSTAT,,,,AGEADJPREV>, and show that 27.8 percent of New Mexico adults have at least one form of disability – 13.4 percent have cognitive disability, 6.9 percent have hearing disability, 12.2 percent have difficulty with mobility, 4.7 percent have visual problems or blindness, 4.5 percent have problems with self-care, and 8.8 percent have problems living independently.

DOH notes that:

Parents and practitioners report difficulty in accessing pediatric specialty services. This difficulty is due to a serious shortage of pediatric specialists practicing in the state due to problems recruiting and retaining them, complex care management needs related to securing appointments and tests, trouble arranging transportation for children with specialized health needs, and limitations and barriers imposed by health systems or health

plans. Patients requiring multiple specialists face additional difficulty navigating multiple appointments when cared for by specialists in different health systems.

Among the few pediatric specialists who practice in New Mexico, there are often long waiting times for appointments. Some insurers contract with only one of two competing pediatric health systems. As a result, patients are routinely sent out of state for insurance reasons rather than being given the option of seeing an “out-of-network” specialist here in New Mexico. Being sent out of state for services that could be provided within the state is, for some families, a significant financial hardship due to travel expenses, lost income due to absence from work, and imposes a separation of the child from one or both parents and from siblings who cannot travel with the patient...

Many New Mexico children who need specialty care have difficulty obtaining it. 14.5 percent of New Mexico children in need had high difficulty accessing specialist care, with 25.2 percent finding it somewhat difficult in 2019-2020 (<https://www.childhealthdata.org/browse/survey/results?q=8619&r=33>).

This bill also addresses disparities in the health care transition from pediatric to adult care. This healthcare gap affects around 20 percent of the United States population ages 12-26, up to 35 percent of which have at least one chronic condition (<https://www.sciencedirect.com/science/article/pii/S2590229620300058?via%3Dihub>).

PERFORMANCE IMPLICATIONS

DDC notes that DOH is already performing most of the functions suggested in SM9.

LC/rl