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FISCAL IMPACT REPORT

SPONSOR <u>Armstrong</u>	LAST UPDATED <u>2/20/2024</u>	ORIGINAL DATE <u>2/14/2024</u>
SHORT TITLE <u>Health Care Authority Visit Verification</u>	BILL NUMBER <u>House Bill 269/aHHHC</u>	ANALYST <u>Chenier</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Aggregator implementation		\$160.0		\$160.0	Nonrecurring	General Fund
EVV Implementation		\$85.0		\$85.0	Nonrecurring	General Fund
EVV O&M			\$58.3	\$58.3	Recurring	General Fund
Aggregator O&M			\$30.0	\$30.0	Recurring	General Fund
2 HCA Staff			\$107.8	\$107.8	Recurring	General Fund
2 HCA Staff			\$107.8	\$107.8	Recurring	Federal Funds
Total			\$303.9	\$548.9		

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
 Health Care Authority (HCA)

SUMMARY

Synopsis of HHC Amendment to House Bill 269

The House Health and Human Services Committee Amendment to House Bill 269 eliminates the emergency clause and replaces it with an effective date of January 1, 2026. Since the Authority is already planning on implementing this system many, if not all, of the above costs are already built into the budget.

Synopsis of House Bill 269

House Bill 269 (HB269) requires the Health Care Authority (HCA) to implement an open (aggregator) electronic visit verification system (EVV) that is compliant with federal law. This bill declares an emergency. EVV is a system that allows the authority to ensure that provider visits (usually to the home) actually take place.

This bill contains an emergency clause and would become effective immediately on signature by the governor.

FISCAL IMPLICATIONS

Since the Authority is already planning on implementing this system many, if not all, of the above costs are already built into the budget.

HCA states that providers have been working with HCA to move from a closed EVV solution to an open EVV solution that will meet federal requirements and will allow providers to select their own EVV vendor. HCA will need to contract with a vendor that will implement an aggregator module to allow EVV vendors to aggregate provider data to the EVV solution. HCA will use the aggregated data to report federally required information to the federal Centers for Medicare and Medicaid Services. The estimated implementation cost of an aggregator is \$160 thousand with ongoing operational costs of \$30 thousand per month.

HCA staff would dedicate resources to update the New Mexico Administrative Code and other documentation; conduct system testing and edit current claims processing systems; and provide training and communications to incorporate an aggregator model.

The oversight and ongoing monitoring to ensure compliance with the bill would require two (2) new employees at a cost \$215.6 thousand: \$107.8 from the general fund and \$107.800 in federal matching funds.

SIGNIFICANT ISSUES

HCA said that electronic visit verification (EVV) has been required of certain providers since 2016 in accordance with the federal 21st Century Cures Act. New Mexico is currently a closed system, meaning the current vendor is the sole EVV intake vendor. Most states are “open” which allows EVV aggregators to ingest EVV data from users to pass on to an EVV vendor. HCA is actively planning incorporation of an EVV aggregator based on provider input. HCA believes that resources can be dedicated as early as May 2025 with an estimated project completion date of July 2025.

Enacting HB269 may reduce costs and administrative burden for providers of personal care service and home health services.

Providers report significant challenges with integrating provider electronic medical records (EMR) platforms and need to work in multiple systems for each personal care and home health visit.

Medicaid-reimbursed home healthcare and personal care service providers currently utilize an electronic visit verification (EVV) system that complies with and collects required information under the federal 21st Century Cures Act.