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FISCAL IMPACT REPORT

SPONSOR:	Carraro	DATE TYPED:	2/02/00	HB	
SHORT TITLE:	DD Services & Direct Care Staff Compensation			SB	251
				ANALYST:	Esquibel

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 35,100.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB2/aHAFC, SB2, HB23, SB78, SB97

SOURCES OF INFORMATION

NM Health Policy Commission

Developmental Disabilities Planning Council

Human Services Department

LFC Files

SUMMARY

Synopsis of Bill

The bill appropriates \$35,100.0, with \$29,100.0 directed towards providing services to eligible unserved persons with developmental disabilities, and \$6,000.0 for compensation increase in order to recruit and retain direct care staff employed by developmental disability community-based provider agencies.

Significant Issues

The FY00 operating budget for the Department of Health (DOH) contains \$53,664.3 in general fund for services for the developmentally disabled in the following areas: \$31,935.8 for the developmental disabilities Medicaid waiver; \$18,768.2 for Community Programs-Developmentally Disabled; and \$2,960.3 for the Los Lunas Community Waiver program.

The 1999 Legislature appropriated an increase of \$6.4 million in general fund for the Developmental Disabilities (DD) Medicaid Waiver to reduce the waiting list of approximately 1,200 for community services. DOH determined that 473 individuals were eligible to receive services and removed them from the waiting list. However, only approximately 118 individuals have actually had their individual care plans implemented and received services to date. DOH estimates indicate it will not expend approximately \$3 million of the \$6.4 million increase appropriated to serve individuals on the DD waiting list in FY00. Additionally, the waiting list has now grown to approximately 2200 individuals.

FISCAL IMPLICATIONS

The bill appropriates \$35,100.0 in general fund in FY01 to the Department of Health (DOH).

The appropriation contained in SB251 is eligible to match federal Medicaid funds and could generate approximately \$96.5 million in federal funds.

The Health Policy Commission indicates that DOH contracts for most services with DD providers on a unit cost, semi-capitated basis. Thus, it is unclear how DOH funding for contracted DD services can affect salary increases for the lowest paid direct care staff employed in the private sector.

DOH is currently conducting a rate study which should be complete in February which may effect the capitated rates resulting in pay increases for direct care staff being implemented by their employers-the private community providers.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

SB251 relates to HB2/aHAFC, SB2 and HB23 which contain funding for developmental disabilities; SB97 which provides for a Medicaid buy-in for disabled individuals with incomes up to 250% of the federal poverty level; and SB78 which appropriates \$4 million to serve individuals on the waiting list for DD services.

TECHNICAL ISSUES

The Health Policy Commission indicates language in the General Appropriation Act could direct DOH to require through contract provisions, RFP, or rule, community DD service providers must provide increased salaries and additional services *within existing appropriations*.

OTHER SUBSTANTIVE ISSUES

The Developmental Disabilities Planning Council indicates there is a pending law suit against the State of

New Mexico based on the "Olmstead" case where the US Supreme Court ruled in June 1999 that states have an obligation under the Americans with Disabilities Act to serve persons in community settings who request and can benefit from such services within the state's fiscal ability to do so. Other states have had state court action taken to force timely service delivery to persons waiting for DD services.

DOH could be required to present data to the Legislature regarding utilization and performance measures of community developmental disabilities programs.

RAE/njw