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FISCAL IMPACT REPORT

SPONSOR: Stapleton DATE TYPED: 02/15/01 HB 340
 SHORT TITLE: Medicaid Disabled/Elder Waiver Waiting List SB _____
 ANALYST: Taylor

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 2,100.0			Recurring	General Fund
			\$ 5,744.6	Recurring	Federal Funds

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in The General Appropriation Act to DOH for \$747.0

SOURCES OF INFORMATION

Human Services Department (HSD)
 Department of Health (DOH)
 Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

House Bill 340 appropriates \$2.1 million from the general fund to HSD for the purpose of providing services for all eligible persons under the New Mexico medicaid disabled and elderly waiver program.

PERFORMANCE IMPLICATIONS

HSD did not suggest performance measures. Possible measures include:

1. The number of persons served and removed from the waiting list (output);
2. Dollars saved by providing services in community based setting as compared to a residential setting (this should be calculated only for those persons who otherwise would have been placed in a residential facility);
3. Customer satisfaction (contrast this with customer satisfaction for similar persons in a residential program).

FISCAL IMPLICATIONS

The appropriation of \$2,100.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY02 shall revert to the general fund. The general fund appropriation would leverage an additional \$5,744.6 in federal funds, making a total of \$7,844.6 available for the program.

According to HSD, the total funding of \$7,844.6 made available by this legislation is sufficient to serve 478 clients, assuming an average cost of a little over \$16 thousand per year. The current version of the general appropriations act also adds \$747.0 general fund, which when added to leveraged federal funds would make an additional \$2,800.0 available for the waiting list. Thus, assuming that the funds appropriated in this bill are in addition to what is already included in the general appropriations act, a total of \$10,645.0 would be available to address the waiting list. This level of funding would be sufficient to reduce the waiting list by about 650 persons.

DOH reports that currently there are 2,978 individuals (1,869 of these are age 65 or older) on the Disabled and Elderly registry who are applying for community-based services. DOH also reports that the Health Care Financing Administration has agreed to provide matching funds for 1,950 individuals, or 850 more than are currently being served. To cover the remaining 200 persons that HCFA has agreed to match would require approximately \$850.0 more general fund (\$3,260.0 total funds).

ADMINISTRATIVE IMPLICATIONS

HSD reports that the increase funding would have a negative impact on the Medical Assistance Division. The Medicaid Utilization Review contractor would be faced with an increased review volume. The division would also face an increase in the number of cases to be monitored. The department's analysis does not indicate any specific need for additional resources, however.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

HB340 relates to the general appropriations act. The current version of the act includes \$747.0 general fund to reduce the waiting list.

OTHER SUBSTANTIVE ISSUES

HSD reports that the additional funding would address a number of pending issues in the Lewis lawsuit. This lawsuit claims that persons entitled to services under the state's developmentally disabled (DD) and disabled and elderly (D&E) waivers are not receiving those services with "reasonable promptness".

POSSIBLE QUESTIONS

Given the low wages paid to people providing these services, will there be sufficient workers to provide services?

BT/sb/njw