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## FISCAL IMPACT REPORT



SPONSOR: Sanchez M DATE TYPED: 2/11/02 HB \_\_\_\_\_

SHORT TITLE: Nursing Home Staffing Levels SB SJM 81

ANALYST: Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		\$0.1	See Narrative		

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HJM 90.

### SOURCES OF INFORMATION

#### Responses Received From

Department of Health (DOH)  
Health Policy Commission (HPC)

### SUMMARY

#### Synopsis of Bill

Senate Joint Memorial 81 requests the Department of Health to study issues affecting staffing levels in nursing homes and provide a report by November 1, 2002 to the Health and Human Services Committee.

#### Significant Issues

Senate Joint Memorial 81 requests the Division of Health Improvement (DHI) to utilize its long-term care regulatory cabinet to study acuity based staffing issues and make recommendations. The study is to address other states' best practices and approaches to acuity based staffing, methods for measuring compliance and definitions of direct care staff.

The DHI long-term care regulatory cabinet currently has two subcommittees in place that are studying acuity based staffing and work force development (recruitment and retention of staff) in nursing homes.

The State of Maryland has been using acuity based staffing for Medicare Reimbursement in nursing homes for several years. The Department of Health, New Mexico State Veterans Home (NMSVH) in Truth or Consequences has been using an acuity system to determine staffing levels for a number of years. The NMSVH system is based on the Maryland system.

### **FISCAL IMPLICATIONS**

SJM 81 could have significant fiscal and administrative impact, if the study determines that State nursing home facilities are either understaffed or overstaffed.

### **ADMINISTRATIVE IMPLICATIONS**

See fiscal implications

### **CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP**

SJM 81 duplicates HJM 90.

### **OTHER SUBSTANTIVE ISSUES**

DOH notes that currently there is no consensus on which acuity system is the best model on which to base nursing home staffing levels. Choosing between acuity systems will dictate whether current staffing practices are close to acceptable or completely inadequate.

In the June 2001 HCFA (CMS) Report to Congress on the Appropriateness of Minimum Nurse Staffing Ratios in Nursing Homes, the analysis conducted for the report estimated relatively high staffing thresholds for RN's, LPN's and Nurse Aides. The report expressed concern regarding the potential impact on a considerable number of facilities if these thresholds were set as minimum requirements.

There is a severe registered nurse shortage that affects all parts of the State of New Mexico. Based on data collected by the New Mexico Consortium for Workforce Development's study, it is estimated that there are between 1200 and 1400 vacancies (1 in 10 positions are vacant) statewide in 2001 and in 20 years 1 in 4 job will go unfilled. DOH reports that there is concern that if an acuity system is adopted that calls for notably increased staffing ratios, it will create a no-win situation for nursing home facilities, given the current nurse shortage.

The Joint Commission on Accreditation of Healthcare Organizations (JCAHO) currently has a similar study (staffing effectiveness) underway and it will affect all nursing home facilities accredited by that organization. JCAHO defines staffing effectiveness as the number, competency, and skill mix of staff in relation to the provision of needed services.

**BD/prr/njw**