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FISCAL IMPACT REPORT

SPONSOR Cordova **DATE TYPED** 1/31/04 **HB** HJM-38

SHORT TITLE Require Early Intervention Services Insurance **SB** _____

ANALYST Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

- Children, Youth and Families Department (CYFD)
- Department of Health (DOH)
- New Mexico Health Policy Commission (HPC)
- Public Regulatory Commission (PRC)

SUMMARY

Synopsis of Bill

House Joint Memorial 38 requests DOH convene a task force to study ways to require insurers to cover early intervention services for infants and toddlers with developmental delays or disabilities. DOH is to report on the findings of the task force to the interim legislative health and human services committee and the legislative finance committee by the October 2004 meetings.

Significant Issues

According to HPC, based upon a report found at FirstSigns.org, with proper intervention, a child can overcome a wide range of developmental problems. Intensive, well-designed and timely intervention can improve the prospects—and quality of life—for many children who are considered at risk for cognitive, social, or emotional impairment....Opportunities for early intervention...may lead to more productive lives for these people, and may also lead to reductions in treatment costs of those same individuals in their later years.”

DOH states the Legislature should explore additional revenue sources for providing early intervention services for two reasons:

1. Actual and projected increases in the number of children who are eligible for services will exceed the available budget; and,
2. A recently-conducted independent rate study found current reimbursement for services is below actual costs.

DOH estimates approximately \$1.5 million in additional funding is needed to provide rate increases to service providers.

Insurance coverage for these services would help defray costs to families of individuals needing services. Other states have passed legislation limiting exposure for private health insurance companies to a defined amount (ranging from \$2,500 to \$4,500 per year).

DOH adds “A taskforce that includes health insurance providers, the New Mexico Insurance Commission and the early intervention community at the table has the potential to creating recommendations for legislation that could work for all parties.”

PRC Insurance Division would use existing staff to serve on the task force.

FISCAL IMPLICATIONS

Task force expenses would have to be paid from agency operating budgets.

TECHNICAL ISSUES

DOH recommends changing “1997” on Page 2, Line 20 to “2000”. The agency states increases in reimbursements for some services were made in 1999-2000.

OTHER SUBSTANTIVE ISSUES

While CYFD was not identified in the memorial as a participant on the taskforce, the agency will be available to provide information and assistance to the task force as needed.

POSSIBLE QUESTIONS

1. Do any of the public employee health insurance plans cover this benefit?
2. What is the estimated cost on an individual basis to provide this coverage?
3. Should families without children be required to have this coverage or could it added upon birth of a child?

GAC/lg