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FISCAL IMPACT REPORT

SPONSOR Picraux **DATE TYPED** 2/24/05 **HB** 726

SHORT TITLE Concurrent Provision Of Hospice Services **SB** _____

ANALYST Hanika-Ortiz

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	Est @ \$1.844 See Narrative			Recurring	General Fund

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	Est @ \$4.741 See Narrative		Recurring	Federal Fund

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)
Aging and Long-Term Services Department (ALTSD)
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 726 allows recipients of the Home and Community Based Services (HCBS) Waivers and the Medicaid Personal Care Option (PCO) program to concurrently receive Medicaid funded Hospice services.

Significant Issues

The change proposed in HB 726 would affect people receiving services through the Developmentally Disabled waiver program, the Disabled and Elderly waiver program, the HIV/AIDS waiver program, the Medically Fragile Children's waiver program and the Personal Care Option

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program (PCO). HB 726 would allow these individuals to receive Medicaid hospice services in conjunction with other home and community-based services. Currently these clients are not permitted to receive both types of services at the same time and their care may be less than optimal as a result. By allowing both to occur simultaneously, there could be a significant increase to the Medicaid budget.

HB 726 requires coordination between hospice and home and community based services case managers to develop a plan of care.

At the present time, an individual who has Medicare hospice services can receive home and community based service concurrently.

PERFORMANCE IMPLICATIONS

The Centers for Medicare and Medicaid (CMS) may need to approve any additional services provided through the auspices of the Medicaid waiver programs because currently Medicaid regulations do not allow recipients to receive hospice concurrently with services under these other Medicaid programs.

FISCAL IMPLICATIONS

HSD report the annual fiscal impact to HSD/MAD will be \$6.585 million. Approximately \$1.844 million will come from the general fund and \$4.741 million from federal matching funds.

The average cost of a Medicaid hospice plan is \$3.6 thousand per month. The average length of participation to the Medicaid hospice fee-for-service program is 6 months. The annual increase to add Medicaid Hospice program services to 2% of the PCO recipients is estimated at \$3.802 million.

The annual increase to add Medicaid Hospice program services to 2% of the persons included in the Developmentally Disabled Waiver, the Disabled and Elderly Waiver, the AIDS Waiver and the Medically Fragile Children's Waiver is estimated at \$2.16 million.

The annual increase to provide home and community based waiver or PCO services for individuals who currently receive Hospice services is estimated at \$623 thousand.

ADMINISTRATIVE IMPLICATIONS

HB 726 would require that Medicaid Hospice and PCO services regulations be revised. Medicaid would have to provide training to Hospice, HCBS Waiver and PCO providers regarding the changes to regulations. The change proposed in HB 726 would also require changes to the Medicaid Omnicaid system. HSD/MAD would have to amend contracts with Salud! Managed Care Organizations and the PCO Third Party Assessor contracts to reflect the new requirements.

TECHNICAL ISSUES

Agencies report that HB 726 is unclear whether the hospice program or the home and community based services would be the primary service provider. This is an important consideration since regulations, types of services and reimbursement rates are different for each program.

HB 726 indicates that the hospice care program shall maintain communication and coordinate care with the case manager of the home and community based services program, but the PCO program does not offer case management services.

OTHER SUBSTANTIVE ISSUES

DOH notes that HB 726 allows case management for Medicaid recipients receiving both home and community-based services and hospice services concurrently to be provided by the hospice care program providing hospice services, who will also be responsible for communicating with the home and community-based services program to make sure the patient receives appropriate care and that a coordinated care plan is developed.

Currently individuals in waiver programs who are terminally ill must choose whether to continue to reside in home environment or seek services from a nursing or hospice facility. HB 726 will make it possible for individuals to remain in the home environment for longer periods of time or until death. Hospice care, as would be added in HB 726, will allow terminally ill individuals in community-based services to live their final days in as natural and comfortable a setting as possible. For example, persons on the Developmentally Disabled Waiver who are receiving home-based services from a family member or surrogate will be eligible to receive in-home hospice services such as pain management and grief counseling. Hospice services emphasis is on symptom control and support to individuals and their families before and after death.

ALTERNATIVES

DOH suggests amending existing waivers and personal care option programs to include the types of services available under hospice.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

Persons that qualify for hospice services may need to be institutionalized because their needs could not be met through their home or community-based provider network.

POSSIBLE QUESTIONS

Medicaid recipients will not be able to receive Medicaid hospice services in conjunction with other home and community-based service.

AHO/lg:yr