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SENATE MEMORIAL 9

**47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

INTRODUCED BY

Carroll H. Leavell

A MEMORIAL

REQUESTING THAT THE AGING AND LONG-TERM SERVICES DEPARTMENT  
LEAD A STUDY ON THE FINANCIAL IMPACT OF FACILITY-BASED CARE ON  
THE MEDICAID BUDGET AND IDENTIFY ALTERNATIVE MODELS OF  
FINANCING LONG-TERM CARE.

WHEREAS, the population of New Mexico over the age of  
sixty-five is growing and will double by the year 2025 and, due  
to medical advances, people are living longer, but not  
necessarily healthier, lives; and

WHEREAS, the population of people over the age of eighty-  
five is growing twice as fast as that of people over sixty-five  
and these individuals are the most frail of the elderly; and

WHEREAS, a large and growing number of aging people are  
suffering from the ravages of Alzheimer's disease and are  
unable to care for themselves; and

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1           WHEREAS, the medicaid program in New Mexico covers the  
2 cost of nursing home care and home- and community-based  
3 services for the elderly and disabled and provides in excess of  
4 two hundred twenty-one million dollars (\$221,000,000) in  
5 combined state and federal funding for these services; and

6           WHEREAS, the cost of private nursing home care is  
7 unaffordable for most people in need of nursing home care and,  
8 therefore, most families have come to rely on medicaid to fund  
9 this type of care for their elderly relatives; and

10          WHEREAS, people are finding that qualifying for medicaid  
11 long-term services is relatively easy, despite seemingly  
12 restrictive eligibility rules, and that this relaxed access has  
13 resulted in an entitlement mentality regarding financing of  
14 long-term care services, and use of private, out-of-pocket and  
15 insurance financing for long-term services has languished while  
16 medicaid costs have skyrocketed; and

17          WHEREAS, long-term care insurance, home equity conversion  
18 and other alternative mechanisms of private financing have been  
19 little used;

20          NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE  
21 OF NEW MEXICO that the aging and long-term services department  
22 be requested to conduct a study, in cooperation with the human  
23 services department and the appropriate statewide organizations  
24 representing aging and long-term services, on the financial  
25 impact of facility-based and home- and community-based long-

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1 term care on the medicaid budget and identify alternative  
2 models of financing long-term care; and

3 BE IT FURTHER RESOLVED that the study identify appropriate  
4 incentives to encourage self-care and the use of insurance,  
5 explore potential ways to limit asset identification and asset  
6 transfer and promote maximum medicaid estate recovery; and

7 BE IT FURTHER RESOLVED that the aging and long-term  
8 services department be requested to support the efforts of a  
9 statewide organization representing the needs of people with  
10 Alzheimer's disease, and other organizations as appropriate, to  
11 hold a conference exploring alternative models of financing  
12 long-term care services; and

13 BE IT FURTHER RESOLVED that the aging and long-term  
14 services department be requested to develop recommendations on  
15 implementation of alternative mechanisms of financing long-term  
16 care services and report the findings and recommendations to  
17 the legislative health and human services committee in October  
18 2006; and

19 BE IT FURTHER RESOLVED that copies of this memorial be  
20 transmitted to the secretaries of aging and long-term services  
21 and human services.