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FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/12

SPONSOR Lopez LAST UPDATED _____ HB _____

SHORT TITLE Implement Money Follows the Person Act SJM 9

ANALYST Chabot

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		No Initial Fiscal Impact				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Division of Vocational Rehabilitation (DVR)
Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 9 resolves the HSD be requested to fully implement the Money Follows the Person in New Mexico Act (MFPNMA); the HSD use available federal funds to open new vacancies for individuals on waiting lists for home- and community-based waivers; and the HSD to identify individuals who are currently in nursing facilities and want to return to their homes; and the HSD use available funds to provide placement and transition assistance through relocation specialists, to identify accessible and affordable housing, expand the personal care work force and allow strong consumer input into the design, implementation and evaluation of the implementation of the MFPNMA.

FISCAL IMPLICATIONS

While the SJM has no initial fiscal impact, it proposes using funds from federal grants, stated at \$23.7 million, to move individuals from nursing facilities to their homes and communities. These grants expire in 2016. To continue services after 2016, the funding will most likely need to come from the general fund.

SIGNIFICANT ISSUES

In 2006, the Money Follows the Person in New Mexico Act (MFPNMA) was enacted (Laws 2006, Chapter 112) which allows institutional care Medicaid funds to be used for community

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services without placing a person on a waiver waiting list. Some disability advocates state the program still have yet to be implemented and has been fraught with conflict and difficulty.

HSD provides it is currently meeting the intent of MFPNMA by using federal funds allocated to the Coordination of Long-Term Services (CoLTS) Home and Community-Based Services (HCBS) waiver to identify individuals in nursing facilities and want to return to their homes and community. In addition federal funds through the 1915c HCBS waiver have been used to provide placement and transition assistance through relocation specialists.

HSD states clarification is needed on what additional federal funds are being referred to in the joint memorial. In addition, HSD provides that in FY11, 429 persons returned to their communities through community reintegration. For FY12 to date, 124 persons have returned to communities. One of the purposes of the CoLTS program is to use medical assistance funds to provide services allowing formerly institutionalized individuals to live in their communities. HSD is using CoLTS to implement the MFPNMA.

DVR expresses concern whether federal funding will continue or be replaced because “many times individuals with disabilities are able to move back home, but due to lack of resources they end up back in the nursing facilities.” DVR contracts to three Centers’ for Independent Living (CILs) from agency appropriations. “Development of a “Train the Trainer” model with the CIL’s could also help HSD implement the MFP demonstration grant. CILs currently have Independent Living Specialists able to provide adequate relocation/transition assistance to individuals with disabilities.

DVR also reports there are 71 nursing homes in need of additional funding due to reductions in what Medicare pays.

TECHNICAL ISSUES

While it does not impact the intent of the joint resolution, HSD now has responsibility for the MFPNMA rather than the Aging and Long-Term Services Department and the act needs to be amended.

OTHER SUBSTANTIVE ISSUES

DVR states it is unaware of any tracking down to determine savings from moving from nursing homes to community services. Such a system could be useful in managing the system.

GAC/svb