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FISCAL IMPACT REPORT

SPONSOR Rodriguez **ORIGINAL DATE** 1/21/16
LAST UPDATED 1/26/16 **HB** _____

SHORT TITLE Autism Services and Treatment **SB** 62

ANALYST Chilton

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$9,000.0	Recurring	General Fund
	\$2,500.0	Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$7,300.0	\$7,300.0	\$14,600.0	Recurring	General fund

(Parenthesis () Indicate Expenditure Decreases)

RELATES TO

SB 24, which requires providers of services to screen for developmental disorders, including autism.

SOURCES OF INFORMATION

Human Services Department (HSD; not received)
 Public Education Department (PED; not received)

Responses Received From

Department of Health (DOH)
 University of New Mexico (UNM)

SUMMARY

Synopsis of Bill

Autism is a chronic condition that affects as many as one in every 50 children born in the United States. The estimated prevalence of the disorder has increased markedly and gradually over the past half century. Some of the increase in diagnosed autism has come about because of changes

in diagnostic criteria for the disorder, but experts believe the actual prevalence of autism has increased over time. Autism affects the ability of the autistic person to interact with others and is associated with abnormal and repetitive movements; it often, but not always, affects the ability to communicate with others and causes developmental delay.

It has been shown that early diagnosis and treatment for those with autism improves their long-term outcome. Despite that, there is often significant delay between the onset of symptoms in children with autism and parental recognition of abnormalities, and further delay between parental recognition and diagnosis by a physician or other professional, such that the average age at diagnosis is 4 years. Studies show that factors delaying diagnosis include less severe symptoms, hearing impairment, living in a rural area, Hispanic ethnicity, and lower socioeconomic status, all of which are prevalent in New Mexico.

Many children with autism in New Mexico receive their diagnosis or have it confirmed through the Autism Spectrum Evaluation Clinic, at the University of New Mexico Center for Development and Disability (UNM CDD). Once diagnosed (or before, if the symptoms are sufficiently severe), children with autism qualify for a large variety of services through the Family Infant Toddler program if less than 3 years old or the local educational authority if over 3 years of age.

Services for children and adults with autism may include speech and language therapy, applied behavioral analysis, special education, physical and occupational therapy and sometimes other forms of therapy. Moderately or severely affected children and adults may require residential care in protected settings and protected work environments.

A bill to expand autism services, HB 69/SB 109, with a much smaller appropriation (a total of \$350 thousand) died in the 2014 Legislature. In the Fiscal Impact Report from 2014 HB 69, it was noted:

“The Department of Health reports currently it provides no funding through the department’s Developmental Disabilities Services Division (DDSD) for persons with autism spectrum disorder that do not meet the developmental disabilities (DD) Medicaid waiver eligibility criteria. The DD Medicaid waiver program provides services for individuals with autism spectrum disorder but has a significant waiting list for services.”

Senate Bill 62, Autism Services and Treatment, appropriates \$7.5 million from the General Fund to the Department of Health, \$4.5 million of which is directed to be for the purpose of contracting with the University of New Mexico for developing or augmenting services to people with autism, \$3 million to the Public Education Department, and \$1 million to the Higher Education Department for the purposes of developing further expertise in the evaluation and treatment of autism spectrum disorders in adults and children and developing a variety of services for adults and children diagnosed as having autism.

FISCAL IMPLICATIONS

SB 62 contains 11 separate appropriations, eight of which are to the Department of Health for the following:

- 1) \$1 million for development of agency expertise with respect to autism and construction of an autism registry and planning with community agencies (recurring),

- 2) \$1 million for development and implementation of residential support services for adults with autism (recurring),
- 3) \$1 million for development and implementation of residential programs for adults with autism (recurring),
- 4) \$1 million for development and implementation of residential programs for severely affected children (recurring).
- 5) \$1 million for UNM CDD to develop a satellite evaluation clinic, perhaps using telemedicine (recurring),
- 6) \$1 million to expand UNM CDD's parent home training program for the parents' older children with autism (recurring),
- 7) \$1 million to develop and implement methods and clinics for evaluating adults for autism (recurring).
- 8) \$500 thousand to develop models, services and rehabilitation programs directed at adults with autism (non-recurring)

Two appropriations are to the Public Education Department:

- 1) \$2 million to develop and implement instruction and assistance programs for school districts regarding autism best practices (non-recurring)
- 2) \$1 million to develop and implement employment programs for adults with autism (recurring)

The other appropriation, to the Higher Education Department, is \$1 million for development and implementation of peer-mentoring programs for college students with autism (recurring).

The appropriation of \$11.5 million contained in this bill is a largely recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2017 shall revert to the General Fund.

Separately, the bill would establish a new category of Medicaid eligibility for children (definition of child is not defined in the bill) with autism. Given that at least 60 per cent of New Mexico children are not currently covered by Medicaid (their families have private insurance or no insurance), the assumption of all of the costs of the medical and related care by Medicaid would add considerable new Medicaid costs.

Calculation of the fiscal cost to New Mexico of the provision to extend Medicaid to all children with autism depends on several assumptions detailed in this paragraph. According to a RAND Corporation study by Lavelle and others ("Pediatrics," 2015), medical care costs for children with autism are \$3020 higher per year than for children without autism. As expected, costs are correlated with severity. If one of every 68 New Mexico children is autistic, if the average annual cost of Medicaid per New Mexico child is \$2492 (Kaiser Foundation, www.kff.org), if the state share of the cost for Medicaid in New Mexico is 29% (i.e., FMAP 71%), if children with autism have similar coverage as all New Mexico children (60% not currently covered by Medicaid), and if there are currently approximately 520,000 children under the age of 21 in New Mexico, then the additional cost to the state of the provision of Medicaid to all the children in New Mexico with autism who do not currently qualify for Medicaid would be $520,000/68 * (\$2492 + \$3020) * 0.29 * 0.6 = \$7.33$ million.

SIGNIFICANT ISSUES

Autism is a highly prevalent disorder. Although early identification and treatment enables many initially diagnosed with autism to function well in society, between 4000 (one in 500 prevalence)

and 40,000 (one in 50 prevalence) New Mexicans are likely to qualify for the diagnosis. Service availability to these people will result in less disability.

The bill states that every child with autism would have access to Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services. It would establish a new criterion for eligibility for Medicaid for those children with autism who do not qualify on the basis of low income. It is likely that a new Medicaid waiver would have to be approved by the Center for Medicaid and Medicare Services to accomplish this change.

UNM's Center for Development and Disability estimates that residential treatment for children and adults with autism presently costs the state \$5 million per year to send these individuals to out of state services. Development of in-state services might decrease this cost, and would provide employment and cash flow within New Mexico.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

The appropriations to DOH, PED and HED will require administration and coordination, which will increase work for those agencies.

HED states that "DOH would be responsible for administering the funds to UNM-HSC and UNM-CDD for expenditures for contracts related to services rendered in connection with this initiative, including but not limited to mental health services, support services, evaluation, and technical support. NMHED would be responsible for administering the funds associated with the costs of development and implementation of any peer-mentoring programs created by this initiative. Additional staffing will be required to support this program, and the bill does not include funding to support additional resources for NMHED."

RELATED

- to 2014 HB 69/SB 109, which would have appropriated \$350,000 for services for children and adults with autism. These bills were not passed.
- SB 24, which requires that all children receiving Medicaid be screened for behavioral and developmental disorders, including autism, during well child visits.

ALTERNATIVES

Funding parts of the bill.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Unless the Board of Regents were able to find other funding,

- 1) There would continue to be delays in diagnosis of and initiation of treatment for autism, which would likely decrease the effectiveness of treatment.
- 2) New Mexicans in need of intensive residential treatment would continue to be sent out of New Mexico.

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- 3) Children with autism not eligible for Medicaid services on the basis of their families' income would continue to rely on other payment sources for their medical and autism-related health care.
- 4) Programs for parent-to-parent help for families with children with autism and peer-to-peer support for post-secondary students with autism would have to look elsewhere for funding.

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