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## FISCAL IMPACT REPORT

**SPONSOR** Ortiz y Pino **ORIGINAL DATE** 01/26/16  
**LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** All-Inclusive Care for Elderly **SB** 134

**ANALYST** Boerner

### APPROPRIATION (dollars in thousands)

| Appropriation |           | Recurring<br>or Nonrecurring | Fund<br>Affected |
|---------------|-----------|------------------------------|------------------|
| FY16          | FY17      |                              |                  |
|               | \$1,000.0 | Recurring                    | General Fund     |

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

|              | FY15 | FY16       | FY17          | 3 Year<br>Total Cost | Recurring or<br>Nonrecurring | Fund<br>Affected |
|--------------|------|------------|---------------|----------------------|------------------------------|------------------|
| <b>Total</b> |      | None Noted | None<br>Noted |                      |                              |                  |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Duplicates House Bill 162

#### Responses Received From

Ageing and Long Term Services Department (ALTSD)

Human Services Department (HSD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 134 appropriates \$1 million dollars from the general fund to the Human Services Department to increase enrollment in the Medicaid program for all-inclusive care for the elderly.

## **FISCAL IMPLICATIONS**

The appropriation of \$1 million dollars contained in this bill is a 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.

HSD notes it would request federal matching dollars for this appropriation (approximately \$2.44 million at the 70.94 percent federal matching rate).

## **SIGNIFICANT ISSUES**

HSD provided the following background information:

PACE is a Managed Care Program authorized by the Balanced Budget Act of 1997, developed to address the needs of frail and elderly individuals with long-term care needs. Currently, there is only one PACE provider in New Mexico. Through its day facility located in Albuquerque, the organization provides comprehensive care to individuals with long-term care needs who are over 55 years of age and live in an eligible zip code including Bernalillo, Sandoval, and Valencia Counties. Care is provided by an interdisciplinary team which includes the enrollee, family members, and all professional and paraprofessional staff who interact with the participant.

HSD's contract with this provider is \$12.3 million. Current enrollment includes 383 members, with 374 covered through dual eligibility status (Medicare and Medicaid) and nine covered by Medicaid only. Although members with private insurance may also enroll, there are currently no private pay members. Members are covered using capitated funding, specifically: \$2,918.01 paid per member per month for Medicaid only; \$2,588.61 paid per member per month for Medicare and Medicaid eligible.

There is currently a list of 220 individuals who are waiting for services through the PACE model, 12 of whom are enrolled with and receiving services through a Centennial Care managed care organization (MCO).

HSD has allowed PACE in FY16 to increase enrollment with individuals on the PACE waiting list who are eligible for Medicaid and enrolled with a Centennial Care MCO. Individuals on the PACE waiting list who are eligible for Medicaid are able to enroll in the Centennial Care program. If these individuals meet a nursing facility level of care, they have immediate access to home and community based services in Centennial Care. Therefore, this bill would be providing funding for individuals on the PACE waiting list who are otherwise ineligible for Medicaid and are requesting placement into the PACE program.

The Aging and Long Term Services Department registers individuals onto a Disabled and Elderly Central Registry who are otherwise ineligible for Medicaid and are awaiting an allocation for Centennial Care Community Benefit services. Allocations are based on available state funding. This bill would provide additional funding for individuals on the PACE waiting list but not for individuals waiting on the Central Registry for similar Medicaid home and community based services.

**PERFORMANCE IMPLICATIONS**

None noted since the program is currently within the purview of HSD.

**OTHER SUBSTANTIVE ISSUES**

In FY16, HSD increased its contract by over \$420 thousand to serve an additional 12 members, thereby reducing the PACE waiting list. The PACE provider recently requested a 5.3 percent increase to its per member/per month rates. The PACE provider has also expressed interest in expanding services to additional zip codes, and proposing to serve all currently served zip code areas in their entirety.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The PACE waiting list will remain unchanged.

CB/al/jle