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## FISCAL IMPACT REPORT

SPONSOR Rodriguez ORIGINAL DATE 1/29/2018  
 LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Developmental Disability Cost-of-Living SB 120

ANALYST Chenier

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$345.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

### SUMMARY

Synopsis of Bill

Senate Bill 120 appropriates \$345 thousand from the general fund to the Department of Health (DOH) to fund cost-of-living increases in reimbursements for DOH developmental disability general fund program service providers.

### FISCAL IMPLICATIONS

The appropriation of \$345 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY19 shall revert to the general fund.

### SIGNIFICANT ISSUES

DOH stated that state general fund rates for day and residential services are significantly lower than rates for similar services under the developmental disabilities (DD) waiver program. Even though the services are similar, the service requirements are significantly different, which contributes to the difference in rates. The State receives federal matching funds for the DD Waiver program. The blended federal match rate for FY18 is 71.9 percent. It's important to note that state general fund services are funded at 100 percent State general fund (SGF).

The rates were established through a cost study in the mid-1990's, and funding to increase rates was appropriated in FY02. There has not been a rate increase for state general fund service providers since FY02. There have been no appropriations to increase enrollment since the mid-1990's and therefore the SGF services are available to a very limited number of individuals who are either not eligible for the DD Waiver or are waiting for the Waiver services.

While rate increases will assist providers to maintain current general fund programs, it will not increase the amount of services available to each individual nor expand the number of individuals who can be served through that funding source because the rate increase would only offset the cost of living increases that have occurred over time. The increases will also not modernize the service delivery approach.

EC/sb/jle