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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/2018

SPONSOR Rodriguez LAST UPDATED _____ HB _____

SHORT TITLE Family, Infant, Toddler Program Rate Increase SB 121

ANALYST Chenier

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$5,500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health

SUMMARY

Synopsis of Bill

Senate Bill 121 appropriates \$5.5 million from the general fund to the Department of Health to fund rate increases for Family, Infant, Toddler Program providers.

FISCAL IMPLICATIONS

The appropriation of \$5.5 million 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.

DOH stated that if the \$5.5 million is appropriated to NMDOH, these funds would be applied to increase the current rates of reimbursement for FIT Program early intervention services, including the increased match that would be paid to HSD-MAD for Medicaid-eligible children. A small amount of the appropriation would likely be needed to make one-time changes to FIT-KIDS (Key Information Data System) to process the recommended rates and to the FIT billing agent to process the claims at the increased rates. No additional FTE would be needed in order to process the increase in the FIT Program reimbursement rates.

SIGNIFICANT ISSUES

Department of Health provided the following:

The Family Infant Toddler (FIT) Program is responsible for the administration of a statewide system of early intervention services in accordance with the Individuals with Disabilities Education Act (IDEA) Part C. The FIT program serves children birth to age three with or at risk for developmental delays and disabilities, and in FY17 served over 14,600 infants, toddlers and their families. The FIT program has contracts and provider agreements with 34 community early intervention agencies to serve children and families within one or multiple counties.

The FIT Program reimburses provider agencies on a fee-for-service basis; i.e., providers bill for every 15-minute unit of early intervention service provided. (Note: service coordination is a monthly unit and evaluations are per event unit). The Human Services Department-Medical Assistance Division (HSD-MAD) reimburses FIT Providers for services provided to children who are eligible for Medicaid using the same rate structure, and HSD-MAD invoices the Department of Health for the state match portion.

Current rates of reimbursement for the FIT Program are based on a rate study that was published in 2004. Not all of the rates currently paid to FIT Providers are reimbursed at the amounts recommended in the 2004 report.

EC/sb/jle