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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/7/2018

SPONSOR Soules LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE DD Waiver Program Reporting SB 139

ANALYST Chenier

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$25,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		
	\$65,122.6	\$65,122.6	Recurring	Federal Matching Revenue

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to a \$2 million appropriation in the House Appropriations and Finance Committee Substitute for House Bill 2 to reduce the DD Waiver waiting list by roughly 91 slots.

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Human Services Department (HSD)

No Response Received From  
Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

Senate Bill 139 appropriates \$25 million from the general fund to DOH to fund supports and services for individuals enrolled in a developmental disability (DD) Medicaid home- and community-based waiver program and to allow enrollment of eligible individuals listed on

DOH's central registry who are currently awaiting allocation of support and services through the developmental disabilities Medicaid waiver program.

The bill also requires DOH to report annually to the LFC and the Legislative Health and Human Services Committee on the supports and services provided. The report would include five years of information on the number individuals on the DD Waiver that were served, allocated slots, awaiting allocation, and added to the waiting list. The report would also require the department to report financial data, projections, and analysis indicating the amount of funding required to reduce the waiting list to three years within the next five years. The bill also defines several terms.

## **FISCAL IMPLICATIONS**

The appropriation of \$25 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.

The Human Services Department (HSD) would request federal matching dollars for this appropriation (approximately \$65.1 million at the 72.26 percent federal matching rate). Based on FY17 average annual cost per recipient, a \$25 million appropriation and a federal match at 72.26 percent, can serve approximately 1,303 individuals from the Central Registry.

## **SIGNIFICANT ISSUES**

HSD said that there is a significant period of time between notifying an individual that services are available and the completion of all steps necessary to confirm program requirements: medical and financial eligibility, assess support needs, interview and select preferred providers, obtain prior authorization for services chosen, and begin service delivery ranging from 60-180 days. Timeframes depend upon the status of each individual's financial and medical records, competing scheduling issues for individuals and their families, and provider success in recruitment and expansion of physical space (in some cases) to accommodate additional individuals. This is referred to as the "ramp up" effect. Individuals brought into the program will not have the time to maximize utilization of the funding within the fiscal year.

Addition of 1,303 individuals on the DDW programs may pose a stress on the current provider system and capacity statewide. Even with the current size of the DDW, recruitment and retention of qualified personnel is a significant and ongoing challenge for provider agencies and for individuals who hire their own support personnel through the Mi Via DD Waiver.

Waiver amendments would be required to increase the number of individuals served under the DDW program. A waiver amendment takes a minimum of three (3) months to develop. Once developed, the amendment must go through 30 days of public comment and 60 days of tribal notification. CMS has 90 days to review and approve the amendment or formally request additional information which lengthens the CMS review period. This process may take up to six months or more and would impact the ability for recipients to access services within SFY19.