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FISCAL IMPACT REPORT

SPONSOR Ortiz y Pino ORIGINAL DATE 1/31/18
 LAST UPDATED 2/05/18 HB _____

SHORT TITLE DD Allocation from Central Registry Funds SB 190

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 Funds

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 190 appropriates \$25 million from the general fund to the Department of Health to provide for the allocation into Medicaid Developmental Disabilities Waiver supports and services for individuals awaiting allocation on the Department of Health's central registry.

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 the FY17 average annual cost per recipient, a \$25 million appropriation and a federal match at 72.2 percent, can serve approximately 1,303 individuals from the Central Registry.

SIGNIFICANT ISSUES

HSD provided the following:

The appropriation is a one-time, reverting appropriation. Based on FY17 average annual cost per recipient, there is an estimated 1,303 individuals that may be brought into services. To sustain ongoing participation in the program, the appropriation would need to be recurring. Furthermore, 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. This time period may range from 60-180 days.

The number of enrollees within the DDW programs, DDW and Mi Via, are reported to and approved by the Centers for Medicare and Medicaid Services (CMS) on a five-year waiver cycle. 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 thirty (30) days of public comment and 60 days of tribal notification. CMS has ninety (90) days to review and approve the amendment or formally request additional information which lengthens the CMS review period. The entire process may take up to six (6) months or more and impacts the ability for recipients to access services within SFY19.

DOH Provided the following:

One of DOH Developmental Disabilities Supports Division's (DDSD) key performance indicators is the number of DDW participants, which is expected to grow larger over time as permitted by legislative appropriations and cost efficiencies. The program has grown from 3,838 participants in FY10 to 4,608 in FY18, with the largest increase of 379 participants occurring between FY13 and FY14 as a result of a \$4.6 million-dollar appropriation supported by the executive, as well as cost efficiencies resulting from the DDW redesign of 2012. It should be noted that increasing allocations to DDW presents challenges in terms of development of infrastructure, service provider network, and moving people into service within a designated timeframe.

It is not clear how much of the proposed appropriation from the General Fund is to fund support and services for individuals enrolled in DDW and how much is to support enrollment of eligible individuals from the Central Registry (i.e., the DDW waiting list).

If the entire appropriation is used to enroll eligible individuals from the Central Registry, approximately 1,303 individuals could be served by the program based on FY17 average annual cost per recipient. The DDW provider system statewide would need to grow significantly before 1,303 individuals could be served by the program. The DDW has never had an allocation of more than 500 individuals in a single year. Some provider agencies had trouble adjusting to that growth rate.

New Mexico, like much of the nation, has had a shortage of qualified personnel. 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.

The required infrastructure development, within both state government and provider networks, will take time to develop. The capacity to bring 1,303 people into services during the next fiscal year does not currently exist.

EC/al