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FISCAL IMPACT REPORT

ORIGINAL DATE 2/25/9

SPONSOR Steinborn LAST UPDATED 3/3/09 HM 37/HFI#1

SHORT TITLE Direct Caregiver for Elderly Credentialing SB _____

ANALYST Chabot

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$.01	\$.01	\$.01	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Aging and Long-Term Services Department (ALTSD)
 Department of Health (DOH)
 Developmental Disabilities Planning Council (DDPC)
 Higher Education Department (HED)
 Human Services Department (HSD)

SUMMARY

Synopsis of House Floor Amendment 1 to House Memorial 37

The House Floor amendment makes three changes on page 3:

- Adds service providers to the list of specialties to receive training and education;
- Requires the plan developed in response to the memorial to include cost information to implement the plan; and
- Adds that the task force reports its plan to the interim Legislative Health and Human Services Committee by October 31, 2009.

Synopsis of Original House Memorial 37

House Memorial 37 resolves DDPC convene a task force of experts to study, plan and implement a training and education program leading to credentialing of direct caregivers and participating organization include DOH, HSD, ALTSD, HED, state educational institutions, national organizations, direct caregivers, and representatives who are or advocate for the brain injured, disabled, developmentally disabled and senior citizens. It further resolves the plan include training and education credentialing for the variety of occupations in the field of direct care

including personal care assistants, home care aides, home health aides and certified nursing assistants.

FISCAL IMPLICATIONS

There is no appropriation in this memorial but DDPC as the task force convener will have costs in organizing the task force, finding meeting locations, and preparing and distributing the reports. Participating organizations may have costs in travel and staff time to participate.

SIGNIFICANT ISSUES

DDPC states there is a tremendously high turnover rate among direct caregivers. Requirements are minimal and the broad issue is direct care workers need to have a more professional stature to make the field of work more attractive as a long-term occupation. In addition, it states advanced education and training may be needed to achieve greater recognition for direct caregivers.

ALTSD provides the following summary of issues impacting direct caregivers. Problems being faced by the Direct Service Workforce across the US include:

- Part-time status and instability of hours
- Low wages
- Lack of health insurance
- High occupational injury rates
- High turnover rates
- Working shorthanded/without enough time to provide quality care
- Lack of recognition
- The Bureau of Labor Statistics reports that in 2006, 21,520 nurse's assistants, home health aides and personal care/home care aides worked in New Mexico earning an average of \$8.95 per hour.
- According to a 2002 survey by the American Healthcare Association the statewide vacancy rate for New Mexico Certified Nursing Assistants was 12.2 percent and the turnover rate was 109.1 percent.
- The number of people over age 65 who need long-term supports and services is expected to double between 2000 and 2040. In addition to older Americans, millions of individuals below the age of 65 have some type of disability that necessitates home and community based services (U. of Minnesota, Research & Training Center on Community Living & The Lewin Group (Dec '06).
- The US Census estimates that by 2015 New Mexico's elder population will increase by 161 percent. By that year the traditional care giving workforce (women ages 25 to 44) will decrease by 13 percent.
- In 2005, the US Bureau of Labor Statistics projected that between 2004 and 2014 the number of home health aides will grow by 56 percent and the number of personal and home care aides will grow by 41 percent.
- Many labor economists, policy makers and educators consider Direct Service Workers to be a secondary labor market that requires little skill. As a result, career paths and educational programs to prepare people to work in this field are not widely available. (U. of Minnesota, Research and Training Center on Community Living and The Lewin Group. (Dec 2006).

- Of the four direct caregiver groups mentioned in HM 37, home health aides and certified nursing assistants already have a credentialing process in place in New Mexico. Personal care assistants and home care aides do not currently have a credentialing process in place.

ALTSD also recommends, if the Memorial is passed, the task force should thoroughly review credentialing process for other professions such as home health aides and certified nursing assistants.

DOH reports “the Developmental Disabilities Supports Division (DDSD) already has a comprehensive training program for caregivers supporting individuals with developmental disabilities. Various courses are mandated during the first 30, 90 and 365 days of employment. A “Train the Trainer” system is in place to assure consistency in content and delivery methods. Compliance is tracked via a web-based database through a contract with University of New Mexico. However, this system does not result in a credential that is transferable outside the Developmental Disabilities (DD) provider system.

HSD assesses most of the services provided by the direct caregivers for the elderly have been moved in the Coordination of Long-Term Services program which is administered by two contractors. These contractors have to ensure sufficient providers are available to serve Medicaid clients.

ADMINISTRATIVE IMPLICATIONS

DDPC “wholeheartedly supports this Memorial.”

HSD states” participation in another task force could have a negative impact on its ability to complete other activities related to the administration of the Medicaid program.

TECHNICAL ISSUES

HSD suggests the term “credentialing” needs to be defined to eliminate confusing with how the term is used by managed care contractors and insurers.

OTHER SUBSTANTIVE ISSUES

Consideration should be made to adding the State Personnel Office and the Regulation and Licensing Department as participating agencies.

GAC/svb:mc