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FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/14

SPONSOR Hall LAST UPDATED _____ HB 75

SHORT TITLE Developmental Disability Reimbursement Raise SB _____

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|-----------|------------------------------|------------------|
| FY14 | FY15 | | |
| | \$2,650.0 | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

HB 75 relates to SB 55 and HB 69/SB 109.

HB 75 relates to the General Appropriation Act as the FY15 LFC recommendation includes \$7.7 million in general fund revenue for the 100 percent state general fund developmental disabilities program.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 75 proposes to appropriate \$2.65 million from the general fund to the Department of Health in FY15 to fund cost-of-living increases for service providers under the 100 percent state general fund developmental disabilities program.

FISCAL IMPLICATIONS

HB 75 contains a recurring FY15 general fund appropriation of \$2.65 million to the Department of Health for cost-of-living increases for reimbursement to service providers under the 100 percent state general fund developmental disabilities program. Any unexpended or unencumbered balance remaining at the end of FY15 shall revert to the general fund.

HB 75 relates to the General Appropriation Act as the FY14 operating budget and the FY15 LFC and Executive recommendations include \$7.7 million annually in general fund revenue for the 100 percent state general fund developmental disabilities program. There are approximately 500 people in the state funded program.

In FY13, the Department of Health's Developmental Disabilities Support Program reverted \$8.5 million to the general fund, most of which was not used to serve people waiting for DD Medicaid waiver services.

SIGNIFICANT ISSUES

The Department of Health indicates with the exception of early intervention services under the Family, Infant, and Toddler (FIT) program, 100 percent state general fund developmental disability (DD) program service providers have not received a rate increase since SB163 (2001) was enacted for FY02.

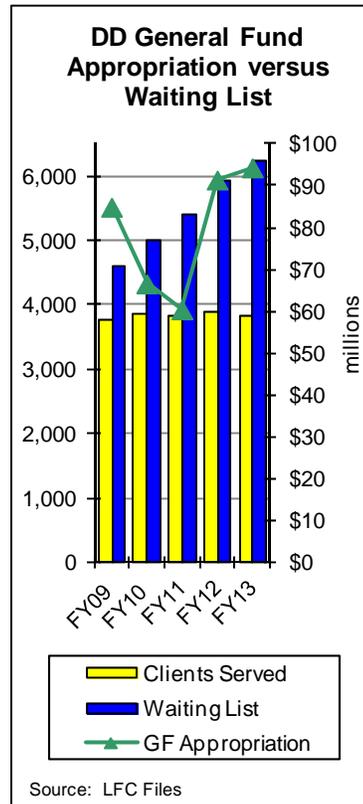
Rates for the 100 percent state general funded DD program's day and residential services are lower than rates for similar services under the developmental disability Medicaid waiver (DDW) program. The Department of Health indicates individuals with developmental disabilities served through the general fund DD program receive a much more limited amount and scope of services than individuals served through the DD Medicaid waiver program.

The budget for the 100 percent state general funded DD program has not increased in the last two fiscal years, other than the FIT services which will increase by \$5.2 million in FY15. The 100 percent general fund DD program's services are available to a limited number of individuals who are either not eligible for the DD Medicaid waiver program or are still waiting for DD Medicaid waiver services. The DD Medicaid waiver program leverages 3-to-1 federal dollars.

The 2013 Senate Memorial 20 task force on DD services recommended that the Department of Health's Developmental Disabilities Supports Division establish a state general funded "pilot" for a self-directed approach to services as an alternative to the current 100 percent state general fund DD program. (<http://nmhealth.org/opa/documents/NMDOH-OPA-Memorial-20-EN.pdf>)

PERFORMANCE IMPLICATIONS

The graph below indicates funding for the DD Medicaid waiver program over time, along with the growth in the waiting list compared to the number of people served under the DD Medicaid waiver program.



At the end of FY13, 6,248 people were on the waiting list for services under the DD Medicaid waiver, and 3,829 were receiving services. The length of time to get on the DD waiver has increased to over 10 years.

RELATIONSHIP

HB 75 relates to SB 55, which would appropriate for FY15 \$10 million to the Department of Health (DOH) for supports and services for persons enrolled in the developmental disabilities (DD) Medicaid waiver program and to allow enrollment of persons awaiting allocation to the DD Medicaid waiver program.

HB 75 also relates to HB 69 and SB 109 which are duplicate bills that would appropriate \$250 thousand from the general fund to the DOH for expenditure in FY15 for autism spectrum disorder programs at the University of New Mexico.

OTHER SUBSTANTIVE ISSUES

The 2013 Senate Memorial 20 task force report details several issues related to increasing services for people with developmental disabilities. The task force recommended:

1. Expand the developmental disabilities home- and community-based Medicaid waiver;
2. Increase attractiveness of Mi Via home- and community-based Medicaid waiver;
3. Improve intake, information and referral, and community navigation; and
4. Expand and redesign the state general fund program into a flexible supports model.