


P/C

SUGGESTIONS FOR

**NEW MEXICO LEGISLATIVE HEALTH &  
HUMAN SERVICES COMMITTEE &  
DISABILITY CONCERNS SUBCOMMITTEE  
2017 WORK PLAN**

Submitted by New Mexico Health Care Association  
& Association of Developmental Disability Community Providers

Linda Sechovec, Executive Director, NMHCA



Please consider the challenges and funding needs for our most dependent populations - those who require ICF/IDD, nursing facility or developmental disability waiver services:

1. Intermediate Care Facilities for Individuals with Developmental Disabilities

- *Last increase was 2.68% for rates that took effect September 1, 2014 to cover care provided between 9/1/14 -9/1/15. No rate increases have been paid since that time.*
- *Maintaining service levels while operational costs (heating, food, transportation, staff salaries, etc.) have escalated the past 3 years.*
- *Rates should be rebased this year according to the schedule included in Medicaid payment rules.*

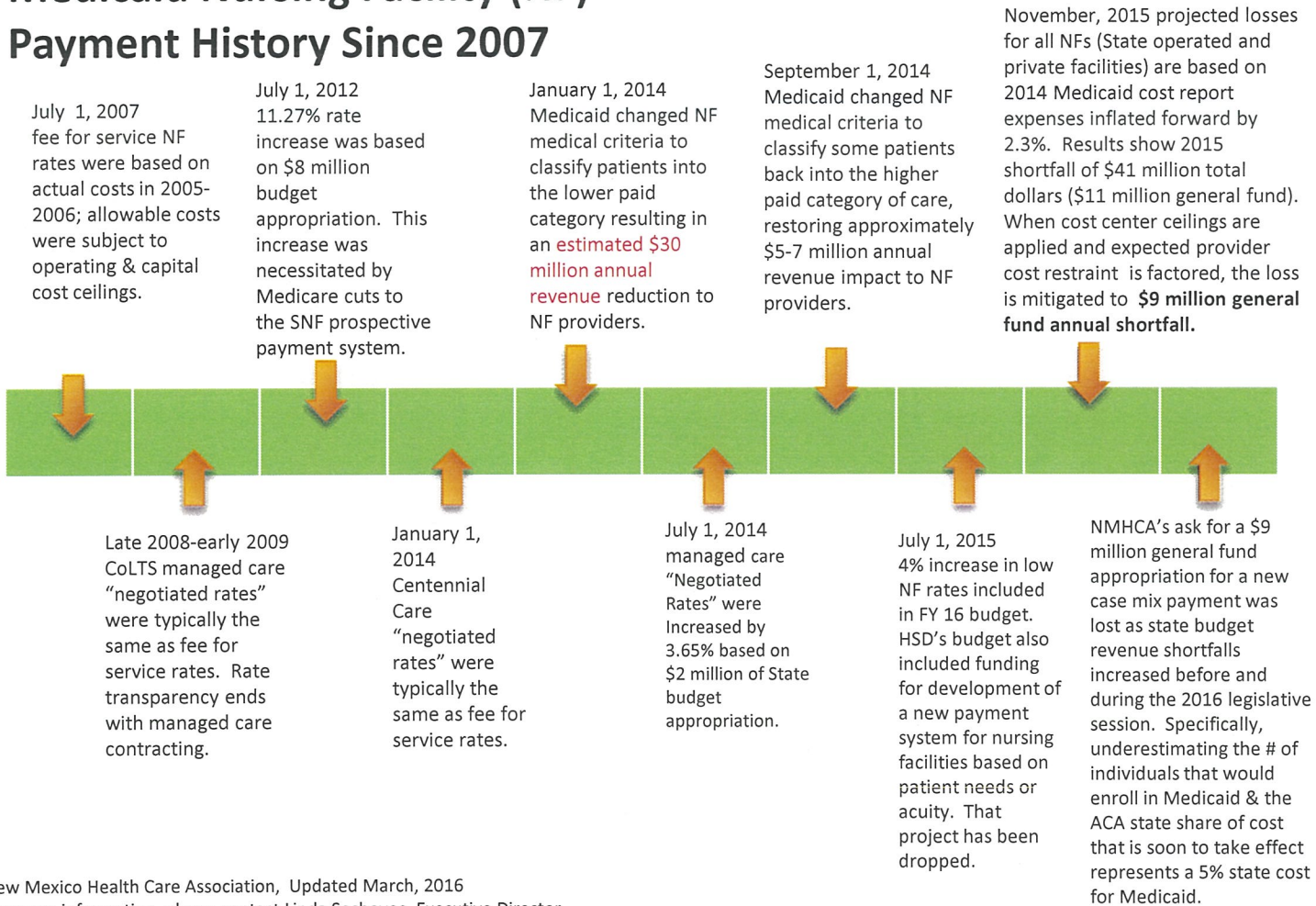


# Challenges & Funding Needs (cont.)

## 2. Nursing Facilities

- No increase since 6/1/15 resulting in increased regulatory compliance challenges, dramatic increase in penalties, performance below national averages where in the past, NM was consistently above those averages.
- Workforce shortages impact all areas of operations from nursing, direct caregivers, and support staff.
- New CMS mandates for staffing reporting, emergency preparedness, infection control direction, pharmacy review, etc. will continue to impact operational costs over the next three years imposing unsustainable.

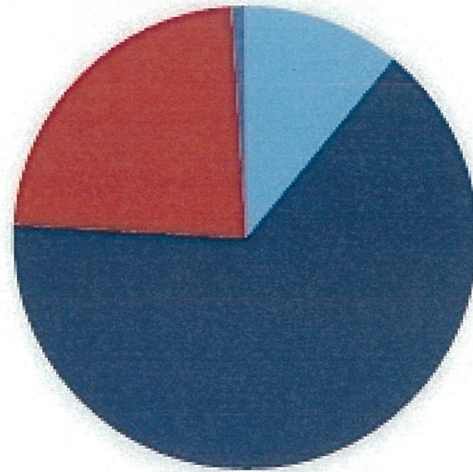
# Medicaid Nursing Facility (NF) Payment History Since 2007



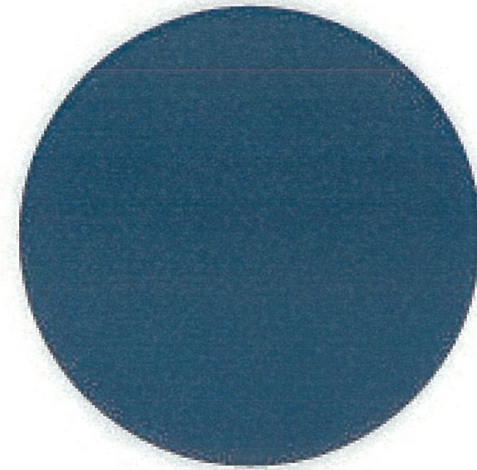
New Mexico Health Care Association, Updated March, 2016  
For more information, please contact Linda Sechovec, Executive Director  
[lsechovec@nmhca.org](mailto:lsechovec@nmhca.org) or phone 505-880-1088.

## Facility Payment Source

Nursing Facility



ICF/IID

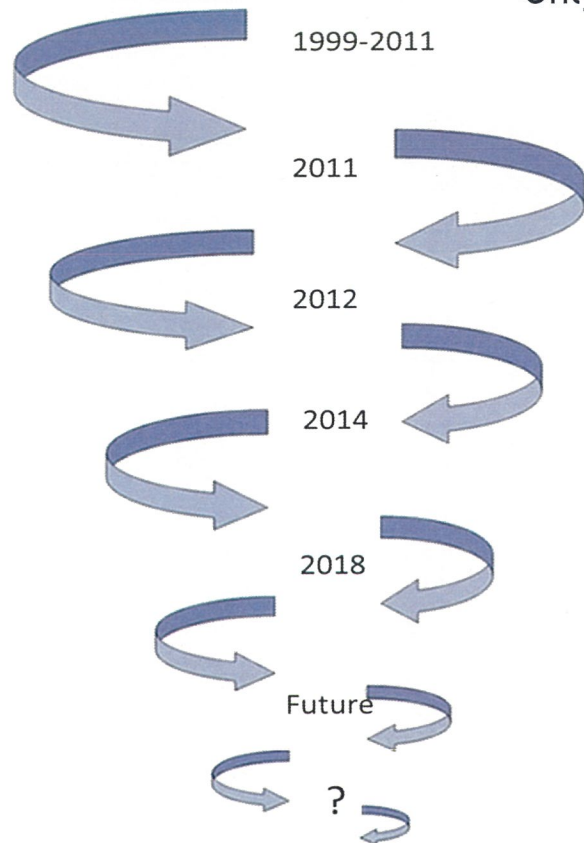


■ Medicare ■ Medicaid ■ Private Pay ■ Private Insurance

## Challenges & Funding Needs (cont.)

### 3. Developmental Disabilities Waiver Providers

#### Only Significant Cuts in Rates Since 1999



Between 1999 and 2011, rates lost approximately 17% of their value versus inflation.

In 2011, there was a 5% across-the-board reduction in waiver rates which resulted in loss of \$19 million in funding for waiver services.


In 2012, due to the Burns Rate Survey, there was an additional \$17 million reduction in overall funding.

Since 2014, at least 15 providers have left the provider network, compromising the assurance of quality services to some individuals with developmental disabilities.

The Standards for Waiver Services has increased from 70 pages to over 250 pages of requirements and regulations. Providers are being told that the new standards that will become effective in January 2018 will number almost 500 pages.

The Jackson lawsuit continues to burden the system and providers. To disengage, the State must accomplish approximately 125 "Evaluative Components." To do this, the State passes the actual work onto the provider system without any funding available to accomplish those tasks.

Provided by NMHCA/ADDPCP



Our sincere thanks to the Committee for  
their past support and concern about the  
New Mexicans we serve!

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