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FISCAL IMPACT REPORT

SPONSOR:	Salazar	DATE TYPED:	02/10/00	HB	401
SHORT TITLE:	Silver City & Espanola Long-Term Care			SB	
				ANALYST:	Esquibel

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring	Fund
FY00	FY01	FY00	FY01	or Non-Rec	Affected
	\$ 200.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB2/HAFCS, HB23, SB2, HJM43, HJM44, HB253, HB402, SB276

SOURCES OF INFORMATION

State Agency on Aging (SAOA)

NM Health Policy Commission (HPC)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

The bill appropriates \$200.0 for model projects in Silver City and Espanola to provide direct cash assistance to low-income frail elders who require service and whose income is too great to meet the financial eligibility criteria for the Medicaid personal care option, but who do meet the financial eligibility criteria for the D&E waiver program.

FISCAL IMPLICATIONS

The bill appropriates \$200.0 in general fund in FY01 to the State Agency on Aging.

HPC indicates the Health Care Financing Administration (HCFA) has funded, using federal matching dollars, many demonstration projects based on different service delivery models. Perhaps the program in HB401 or some other program would be eligible to leverage federal funds as a HCFA demonstration project.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

HB401 relates to SB276 which appropriates \$1,000.0 to expand services to individuals waiting for services through the D&E home and community based waiver program; HB253 which appropriates \$2,355.0 to

SAOA to provide services to persons over 65 whose income is less than 100% of poverty; HB402 which appropriates \$50.0 to the Office of Indian Affairs to provide match funds for the D&E waiver for frail elders living in tribal communities; HJM43, rural area all-inclusive care for elderly; HJM44, Implement Long-term Care Services Act; and HB2/HAFCS, SB2 and HB23, the General Appropriation Acts which fund services for elderly in several places.

TECHNICAL ISSUES

HPC indicates that because of the relatively low wages, there is a shortage of New Mexico workers trained and available to assist elderly in need of long-term care services. Many of these services do not require highly skilled individuals or individuals with extensive training. To the extent that such services can be purchased from family and friends, personnel and services may be more readily available. However, to the extent that individuals are hiring people to assist them who they do not know and are not subject to background checks, there may be exploitation and abuse of the elderly.

HPC suggests the following alternatives:

- •implement the model program throughout the state by giving funds to seniors based on their position on the waiting list only;
- •flow funds through Medicaid to obtain matching federal dollars to expand D&E waiver care to those throughout the state currently on the waiting list; and
- •assess the effectiveness of the self-directed care legislation enacted in 1999 and modify for funding to go directly to individuals as specified in HB401.

DOH suggests:

- •directing the appropriation to support continued expansion of the D&E waiver; and
- •to provide home and community based services to more eligible New Mexicans.

OTHER SUBSTANTIVE ISSUES

DOH indicates HB401 would partly duplicate existing services to elderly because the direct cash assistance would be available to elders who are eligible for assistance under the D&E home and community based waiver program which is a separate program from the D&E waiver.

DOH indicates passage of HB401 would further fragment the long-term care system of service delivery. Also, the department raises questions about the selection of Silver City and Espanola for the pilot project sites given that Rio Arriba county has had more individuals on a per capita basis served through the D&E

waiver than any other county.

RAE/sb