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FISCAL IMPACT REPORT

SPONSOR: Salazar DATE TYPED: 02/21/01 HB 746
 SHORT TITLE: Create Interim Long-Term Care Committee SB _____
 ANALYST: Burch

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		**	**		

(Parenthesis () Indicate Expenditure Decreases)

See Fiscal Implications Section of this report.

Relates to Appropriations in House Bill 1 and relates to House Bill 395

SOURCES OF INFORMATION

LFC files
 State Agency on Aging
 Human Services Department
 Health Policy Commission
 Public Regulation Commission

SUMMARY

Synopsis of Bill

House Bill 746 creates the joint interim legislative Long-Term Care Oversight Committee.

- the committee would function from the date of its appointment until December 1, 2001;
- the 6-member committee (3 from the House and 3 from the Senate) as well as the chairman and vice chairman, will be appointed by the Legislative Council so as to give the two major political parties in each house the same equal representation on the committee as prevails in each house, with no less than one member of either party from each house;
- a work plan and budget, developed by the committee at its organizational meeting, will be approved by the Legislative Council and Legislative Council Service staff, with the possible assistance of Legislative Finance Committee staff, will support the work of the committee;

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- the committee's duties are to examine how to fully implement the Long-term Care Services Act; review plans to reorganize government agencies, if necessary, and to consolidate budgets, programs and funding sources to implement the act; and make recommendations to the Legislature relating to the adoption of additional rules and legislation;
- subcommittees may be created; and
- the committee shall make a report of its findings and recommendations for consideration by the Legislature by December 15, 2001.

Significant Issues

As the State Agency on Aging reports, the Interagency Committee on Long-term Care was created in 1998 as a result of the Long-term Care Services Act (see Attachment 1 for the provisions of the act). A major mandate of the act was to develop a coordinated, integrated service delivery system for individuals in need of long-term care, regardless of age or disability. Although several new program initiatives have been implemented, this integrated service delivery system has not been designed and integration has not occurred. The creation of the oversight committee may assure the public that the law is being honored and that the state shall proceed to honor the law and do what is in the best interest of the public.

FISCAL IMPLICATIONS

There is no appropriation contained in this bill for the operation of the committee. Presumably, the costs of the committee would be paid from the appropriation for legislative interim expenses contained in Subsection B of Section 3 of House Bill 1 already approved by the governor.

ADMINISTRATIVE IMPLICATIONS

Staff of the Legislative Council Service and the Legislative Finance Committee would support the work of the committee as would staff of other agencies such as the State Agency on Aging, the Human Services Department, the Department of Health and the Health Policy Commission.

RELATIONSHIP

House Bill 395, creates the Private Enforcement of Long-Term Care Protections Act and establishes the right of individuals to enforce laws pertaining to long-term care facilities by way of civil action and injunctive relief.

OTHER SUBSTANTIVE ISSUES

See Attachment 2 for a list of the substantive issues of the Health Policy Commission related to the Long-term Care Services Act.

DKB/prr
Attachments

**ARTICLE 17A
LONG-TERM CARE SERVICES**

Section

24-17A-1. Short title.

24-17A-2. Definitions.

24-17A-3. Interagency committee created; coordinated service delivery system; lead agency; service delivery system.

24-17A-4. Service delivery system; components; principles.

24-17A-5. Report.

24-17A-1. Short title.

This act [24-17A-1 to 24-17A-5 NMSA 1978] may be cited as the "Long-term Care Services Act".

History: Laws 1998, ch. 82, § 1.

24-17A-2. Definitions.

As used in the Long-term Care Services Act [24-17A-1 to 24-17A-5 NMSA 1978]:

A. "consumer" means a long-term care service recipient who has a physical or mental illness, injury or disability or who suffers from any cognitive impairment that restricts or limits the person's activities of daily living or instrumental activities of daily living and who is under the care of a provider;

B. "long-term care" means home- or community-based care provided to a consumer that is designed to maintain the consumer's independence and autonomy in the consumer's residence and includes support services such as personal, respite, attendant, residential or institutional care; case management; services such as meals, homemaker, home repair, transportation, companion, adult day health care, emergency response or day habilitation; physical, occupational or speech therapy; nursing; or help with chores;

C. "residence" means a consumer's home, an independent living center, an adult day health care facility, a community center, an assisted living facility, an adult residential care facility, a nursing home or a senior citizen center; and

D. "service delivery system" means a unified statewide, comprehensive home- and community-based service delivery system that integrates and coordinates all health, medical and social services that meet the individual needs of consumers and support them in remaining in their own homes and communities.

History: Laws 1998, ch. 82, § 2.

24-17A-3. Interagency committee created; coordinated service delivery system; lead agency; service delivery system.

A. The "interagency committee on long-term care" is created.

B. Members of the interagency committee on long-term care shall be the heads of the following agencies or their designated representatives:

- (1) the state agency on aging;
- (2) the human services department;
- (3) the department of health;
- (4) the children, youth and families department;
- (5) the labor department;
- (6) the governor's committee on concerns of the handicapped;
- (7) the developmental disabilities planning council; and
- (8) the department of insurance.

C. The interagency committee on long-term care shall design and implement a coordinated service delivery system that fulfills the legislative mandate to develop a coordinated long-term care system.

D. The governor shall appoint a chairperson from the membership of the interagency committee on long-term care.

History: Laws 1998, ch. 82, § 3.

24-17A-4. Service delivery system; components; principles.

The interagency committee on long-term care shall take into consideration, within available resources, the following principles in the design, development and implementation of the integrated long-term care delivery system to:

A. ensure the dignity and respect of consumers in the treatment and support provided;

B. tailor home- and community-based long-term care services and programs to provide full access and coordination to meet the individual needs of consumers;

C. develop and provide home- and community-based long-term care services and programs of the highest quality;

D. provide for consumer self-determination by providing options for individual choice and consumer input in home- and community-based long-term care;

E. implement a state policy that defines the state's obligation regarding long-term care by integrating applicable state and federal mandates related to long-term care services;

F. diversify institutional care options that explore and enhance appropriate alternatives to institutional care; and

G. integrate various funding sources to provide quality, affordable services to the consumer.

History: Laws 1998, ch. 82, § 4.

24-17A-5. Report.

The chairperson shall present a report to the legislature on the progress of the interagency committee on long-term care and the status of the coordinated service delivery system. The report shall include conclusions and recommendations to further the work of the interagency committee on long-term care and to complete the process of integrating the service delivery system in the state.

History: Laws 1998, ch. 82, § 5.

SUBSTANTIVE ISSUES AS REPORTED BY THE HEALTH POLICY COMMISSION

- The Long-Term Care Service Act was created by HJM44 (2000) to coordinate a long-term care service delivery system that supports the choice of consumers to remain in their own home. The Act brought together the State Agency on Aging, the Human Services Department, Children, Youth and Families Department and the Department of Health and was charged with developing a model for long-term care services that was to be presented to the LFC by September 2, 2000.
- According to AARP, (Profiles of Long Term Care System, State of New Mexico, 1998) there were 46.3 persons per thousands (age 16-64) and 184.2 persons per thousand (age 65+) who reported having difficulty in mobility or self-care.
- Currently, the State Agency on Aging provides volunteer long-term care ombudsmen who visit assigned nursing homes and other long-term care facilities on a regular basis to assure that residents are receiving the care they deserve.
- The most severely disabled population--those who need substantial help (i.e., unable to carry out 3 or more self-care tasks) comprise approximately 5.1 million Americans. (ElderCare Consulting, 2000)
- The fastest-growing population in America is over 85. The 65- to 74-year-old population is expected to nearly double, from 18 million Americans in 2000 to 35 million in 2050. (American Health Care Association [AHCA])
- About 11.5 million Americans of all ages need long-term care services today. Given the population trends, that need will only skyrocket. (AHCA)
- Most, but not all, persons in need of long-term care are elderly. Approximately 57% are persons aged 65 and older (7.5 million); 40% are working-age adults aged 18 to 64 (5 million); and 3% are children under age 18 (400,000). (ElderCare Consulting)
- After years in the sun, clouds are on the economic horizon for many states as slowing revenue growth, escalating health care costs and falling budget surpluses begin to take their toll on governors' budgets, according to a new report by the National Governors Association and National Association of State Budget Officers. (December, 2000)
- On the basis of projections made by the Lewin Group and researchers at Duke University, the Congressional Budget Office estimates that inflation-adjusted expenditures for long-term care for the elderly will grow annually by 2.6 percent between 2000 and 2040. Those expenditures are projected to reach \$207 billion in 2020 and \$346 billion in 2040.
- Despite reform of nursing home regulation more than a decade ago, recent reports to Congress indicate that about a quarter of the more than 17,000 nursing homes nationally have had serious deficiencies. About 40 percent of those have had repeated deficiencies. Such poor performance is attributed to insufficient attention to and support for federal and state enforcement activities. (Health Affairs, May/June, 2000)