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FISCAL IMPACT REPORT

SPONSOR Komadina DATE TYPED 1-25-05 HB _____

SHORT TITLE Family, Infant, Toddler Program Funding SB 62

ANALYST Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$3,000.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 172

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Children, Youth and Families Department (CYFD)

Family, Infant, Toddler Program Inter-Agency Coordinating Council (ICC)

SUMMARY

Synopsis of Bill

Senate Bill 62 appropriates \$3 million from the general fund to DOH for the purpose of increasing funding for the Family, Infant, Toddler (FIT) program.

Significant Issues

DOH indicates early intervention services through the FIT Program are entitlement services in accordance with the Individuals with Disabilities Education Act (IDEA) Part C and are provided to infants and toddlers with or at risk for developmental delays and disabilities, and their families.

The Department of Health is required by statute to conduct a rate study every two years to determine the cost of providing services to individuals with developmental delays and disabilities. The independent rate study, conducted in 2003, recommended an increase in the rates for early

intervention based on an analysis of the actual costs of delivering early intervention services across New Mexico and a cost of living increase of 3.2%. It is estimated that the increased appropriation in this bill could fund early intervention services to approximately 720 additional children and families and allow implementation of the recommended rate increases. The estimated cost of implementing the recommended rates in FY06 using an estimated 10% growth rate is approximately \$2,713,000.

FISCAL IMPLICATIONS

The appropriation of \$3 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

DOH notes general fund expenditures for the FIT Program in FY04 were \$8,934,537, which includes \$2,259,566 paid as match for early intervention services funded to Medicaid eligible children through special rehabilitation. For Medicaid eligible children, general fund dollars are maximized through an approximate 3:1 federal match. The increased appropriation could fund approximately 720 additional children and their families, as well as implement the recommended rate increases based on the independent rate study published in 2003. This increased appropriation would need to be included in the ongoing base budget for the FIT Program

ADMINISTRATIVE IMPLICATIONS

DOH indicates the increased funding would not require any additional FTE in order to administer the Family Infant Toddler Program. There are no significant administrative implications of this increased appropriation.

DUPLICATION

Senate Bill 62 duplicates House Bill 172.

OTHER SUBSTANTIVE ISSUES

DOH notes the FIT Program uses general fund dollars to fund early intervention services on a fee-for-service basis through a network of private and public providers. The FIT Program also pays the match for early intervention services provided through Medicaid special rehabilitation. Additionally, the FIT Program utilizes the annual Federal IDEA Part C grant to fund certain early intervention services statewide.

The FIT Program has experienced an average annual growth rate of 13.1% over the past three years. The FIT Program is required under the Individuals with Disabilities Education Act to conduct ongoing child find and public awareness efforts and the US Department of Education as part of its federal monitoring has required that New Mexico continue aggressive child find efforts.

In 2003, Senate Joint Memorial 16 directed the Department of Health to create a task force to study ways to expand referrals by medical personnel and, as a result, the FIT Program has increased outreach and training to physicians in New Mexico on the importance of referring early. The American Academy of Pediatrics (2001) policy statement recommends as a standard of care

for pediatricians that they screen all children for developmental delays, so that children with delays can be identified early and referred in a timely fashion for early intervention services. Additionally, the FIT Program continues to experience a growth in referrals as a result of changes in the Child Abuse Protection and Treatment Act (CAPTA) that now mandates the referral of children under age three to the FIT Program when there is substantiated abuse or neglect.

The ICC, a collaborative group representing all stakeholders in the FIT program, including governmental agencies, parents and doctors, indicates endorsement of this bill to provide all services and benefits for the FIT program, including early intervention programs.

ALTERNATIVES

In 2004, the House Joint Memorial 38 taskforce analyzed the potential of mandating private health insurance coverage for early intervention services through the FIT Program and estimated potential revenue generated of approximately \$3.1 million dollars through private health insurance payments. This potential funding strategy was presented to the Legislative Health and Human Services Committee.

CYFD notes, as an alternative, eligibility criterion could be adjusted to limit services to individuals required by federal standards.

KBC/njw