

Significant Issues

DOH indicates the FIT Program served a total of 7,925 children and their families in fiscal year 2004 and has experienced an average growth rate of 13 percent per year over the past four years. An independent rate study of the FIT Program, conducted in 2003, recommended an increase in the rates for early intervention services based on an analysis of the actual costs of delivering those services across New Mexico and an annual cost of living increase of 3.2 percent. The HAFB adopted budget recommendation includes \$250 thousand to fund the expansion of children birth to three and their families served in the FIT Program. There is currently no waiting list for FIT Program services.

DOH also indicates, in January 2005, there were 3,057 applicants listed on the DD Waiver Central Registry for services. The joint memorial promotes funding to serve approximately all of these individuals. The current average length of wait for services through the DD Waiver is 47 months, although this varies by region. In addition, of the financial resources needed to eliminate the DD waiting list approximately 8.6 percent will be needed for program administration and participant support services.

HSD indicates the TBI program serves approximately 600 individuals per year, does not have a wait list for eligible individuals, and is not an entitlement program. All identified eligible persons receive case management and life skills based on their needs and preferences. Crisis interim funds pay for a variety of needs including prescriptions, personal care, homemaker and others. The amount of crisis interim funds a person receives is based on severity of need and available funds. When crisis interim funds are exhausted for the year, individuals must wait until additional funds become available. If sufficient funds for the TBI program are made available to meet the needs of identified eligible persons through this joint memorial, additional resources could result in services to a greater number of people in addition to increasing the nature, amount or cost of services.

HSD also notes the D&E Waiver program is not an entitlement program. The number of persons served and the amount of services provided to eligible recipients are dependent upon the legislative appropriation for each year.

The joint memorial does not include the Home and Community Based Services Medically Fragile Waiver program in the list of programs that have wait lists and serve people with disabilities or children with, or at risk of, developmental delays. The Medically Fragile Waiver program, administered by DOH, serves the same population described in the joint memorial.

For each of the waiver programs implicated by this memorial, federal approval and FFP to add additional individuals beyond the existing approved waivers would be required.

There would be substantial administrative costs to each agency to eliminate central registry wait lists and increase the services to identified individuals. There would also be costs to recruit, enroll and train new providers. It is unlikely that sufficient providers could be recruited to meet the needs of additional service recipients, without significant rate increases for all services provided in the existing programs. Although data is not available, it is possible that there will not be sufficient providers to meet the needs of the additional service recipients in the state, even with significant rate increases, especially for the providers who are required to be licensed.

FISCAL IMPLICATIONS

There is no appropriation in this joint memorial and all of these programs are currently funded in the House Appropriations and Finance Committee-adopted budget for FY06 in their respective agencies.

HSD indicates if 35 percent of persons on the DD Waiver wait list were able to receive DD Waiver services, it would cost an additional \$84.8 million, including \$23.8 million from the general fund and \$61 million in federal financial participation (FFP), to provide DD Waiver services. If 80 percent of persons on the DD Waiver wait list were able to receive DD Waiver services, it would cost an additional \$174.1 million, including \$48.8 million from the general fund and \$125.2 million in FFP, to eliminate the DD Waiver central registry wait list. These costs would be recurring.

The DD Waiver program is a Medicaid program administered by DOH. Persons who receive waiver services also receive full Medicaid benefits. Based on the percentage of persons who were eligible for services, there would be additional costs between \$8.6 million and \$19.7 million from the general fund and FFP to HSD to cover Medicaid state plan non-waiver services to the additional eligible 1,225 to 2,800 persons currently on the DD Waiver central registry.

DOH indicates, as allowed under federal guidelines, 8.6 percent of the appropriation would need to be used by DOH for program administration and participant support services.

ALTSD indicates the joint memorial recognizes the need for additional funding to meet the needs of our "vulnerable citizens" and resolves that additional resources be provided to meet these needs. The cost of appropriating additional funds to provide the additional services to meet the needs of our "vulnerable citizens" would be substantial. Without an appropriation for additional resources, the resolutions in the joint memorial cannot be accomplished.

HSD notes, if all persons on central registry wait lists for the D&E Waiver program were provided services, the costs to the state would be significant. Data is not kept to determine the number of persons on the D&E Waiver central registry wait list who would be medically and financially eligible for waiver services. However, estimates indicate that 35 percent to 80 percent of persons on the D&E Waiver central registry wait list would be medically and financially eligible for waiver services.

If 35 percent of persons on the D&E Waiver wait list were able to receive D&E Waiver services, it would cost an additional \$48.3 million, including \$13.6 million from the general fund and \$34.8 million in FFP to eliminate the D&E Waiver central registry wait list. If 80 percent of persons on the D&E Waiver wait list were able to receive D&E Waiver services, it would cost an additional \$110.4 million, including \$31 million from the general fund and \$79.4 million in FFP to eliminate the D&E Waiver central registry wait list.

The D&E Waiver program is a Medicaid program administered by ALTSD. Persons who receive waiver services also receive full Medicaid benefits. Based on the percentage of persons who were eligible for services, there would be additional costs between \$12.7 million and \$29 million from the general Fund and FFP to HSD to cover Medicaid state plan, non-waiver services to the additional 2,503 to 5,720 persons currently on the D&E Waiver central registry.

Between the DD and D&E Waivers, using estimates that 35 percent to 80 percent of persons on the central registry wait lists would be eligible to receive waiver services, and including Medi-

caid state plan (non-waiver) services, it would cost an estimated additional \$154.4 million to \$333.2 million in combined general fund and FFP to eliminate the DD and D&E Waiver central registry wait lists.

The other programs listed in SJM 67 that impact HSD/MAD include ICFs-MR and PCO. The fiscal impact of SJM 67 to HSD/MAD for these programs would also be significant. Since these programs are entitlement services, it is not possible to estimate the fiscal impact without an appropriation. The appropriation would be allocated to each program and changes made to the programs based on budget parameters.

ADMINISTRATIVE IMPLICATIONS

DOH notes if this joint memorial results in additional funding for the FIT Program it would not result in significant administrative costs. DOH also notes if the joint memorial results in additional funding for individuals with DD to access the Waiver, the impact to DOH will be significant. In previous fiscal years, additional FTE were created which enable DOH to ensure that the management standards mandated by federal law for the Central Registry and the Medicaid processes are upheld.

RELATIONSHIP

Senate Joint Memorial 67 relates to House Bill 172 and its duplicate Senate Bill 62 which appropriates \$3 million to DOH for increased funding for the FIT Program statewide system of early intervention services for children who have or are at risk of developmental delays and disabilities; House Bill 318 and its duplicate Senate Bill 220 which adds new language to the Public Assistance Act to provide long-term home and community based services to persons with Traumatic Brain Injury and appropriates \$2 million to ALTSD in cooperation with HSD to provide these services; Senate Bill 259 which appropriates \$6.4 million to DOH to allocate approximately 400 persons who are not currently enrolled in the DD Waiver program; Senate Bill 423 which appropriates \$3.54 million to DOH for the DD Waiver program; and Senate Bill 979 which appropriates \$5 million to DOH for the DD Waiver program and \$5 million to ALTSD for the D&E Waiver program.

OTHER SUBSTANTIVE ISSUES

The FIT Program at DOH is the lead agency under the Individuals with Disabilities Education Act (IDEA) Part C for the administration of a statewide system of early intervention services for infants and toddlers, under the age of three, who have or are at risk for developmental delays or disabilities. The FIT Program is an entitlement program for children and families who are eligible for the FIT Program in accordance with the "Requirements For Family Infant Toddler Early Intervention Services."

The FIT Program utilizes general fund monies and Medicaid special rehabilitation (fee-for-service) monies to fund early intervention services through a network of private and public providers. The FIT Program 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. Expenditures for the FIT Program in FY04 were \$8.9 million from the general fund, including Medicaid match funds from DOH, \$9.4 million from Medicaid and \$2.8 million from federal IDEA grant funds.

Under New Mexico's DD Waiver agreement with the federal Department of Health and Human Services in FY05, the DD Waiver Program is authorized to serve up to 4,300 unduplicated individuals or the number of individuals allowed by legislative appropriation, whichever number is less. DOH indicates passage of this joint memorial would expand the numbers of individuals served well above federal authorization limits on the size of the DD Waiver population and would require an amendment to the DD Waiver. The number that can be served also depends on the level of care and age characteristics of the clients on the Central Registry.

DOH cautions if the recommendations of the joint memorial are funded, aggressive recruitment and training initiatives will be needed to qualify providers, permit entry of persons into the system, and ensure their health and safety. Historically, the provider system has been able to sustain growth at a maximum of 300 to 400 individuals entering into service within any fiscal year. Timing of individuals entering services as well as the type of services needed would be critical.

ALTSD commits to working with HSD and DOH to explore possibilities and make recommendations on ways to assist New Mexico families with the provision of care necessary for the disabled and elderly population.

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