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## FISCAL IMPACT REPORT

**SPONSOR** Feldman                      **ORIGINAL DATE** 01/30/07  
**LAST UPDATED** 02/23/07      **HB** \_\_\_\_\_  
**SHORT TITLE** Programs for Children With Certain Disorders      **SB** 164/aSPAC  
**ANALYST** Geisler

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$7,750.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	\$14,876.8	\$14,876.8	Recurring	Federal Medicaid

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		Significant, see narrative	Significant, see narrative		Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates: HB 375

Relates to: SB 197

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Human Services Department (HSD)

Department of Health (DOH)

Public Education Department (PED)

## SUMMARY

### Synopsis of SPAC Amendment

The Senate Public Affairs Committee Amendment to Senate Bill 164 clarifies that \$750 thousand in funding for the Center for Development and Disability for a multidisciplinary evaluation clinic for children with neurodevelopmental disorders is at the University of New Mexico, not New Mexico State University.

### Synopsis of Original Bill

Senate Bill 164, for the Legislative Health And Human Services Committee, appropriates \$7.75 million in recurring general fund to establish and operate programs to benefit children with neurodevelopmental disorders, including autism, as follows:

- \$6 million for the Department of Health (DOH) to match Medicaid funds to provide services for adaptive skill building to children with an autism spectrum disorder.
- \$1 million for DOH to develop and deliver comprehensive training for professionals and parents on adaptive skill building for children with autism spectrum disorders and for a statewide family support network specific to autism spectrum disorders.
- \$750 thousand for the Center for Development and Disability (CDD) for a multidisciplinary evaluation clinic for children with neurodevelopmental disorders, including autism spectrum disorders.

The bill specifies that any unexpended or unencumbered funds remaining at the end of a fiscal year shall not revert to the general fund

## FISCAL IMPLICATIONS

This legislation duplicates the DOH budget request for 2 of the 3 items. In the FY08 operating budget request, DOH requested \$1 million for parent and healthcare provider training on children diagnosed with autism spectrum disorders and \$750 thousand for multidisciplinary evaluation and diagnosis of autism spectrum disorders. The House Appropriations Committee Substitute for House Bill 2 includes total funding of \$1,050.0 for these two items.

HSD notes that the proposed general fund appropriation of \$6,000,000 will draw an additional \$14,876,000 in federal matching funds through Medicaid, for a total amount of \$20,876,000 available for services. To maintain the increased level of payment for future years, additional funding will need included in the Medicaid budget request. In order to provide the “adaptive skill-building services,” HSD/MAD would have to amend its state plan, make file changes to the Medicaid Management Information Systems (MMIS) and seek CMS approval for this benefit. If approved under the Medicaid state plan, the new service would be an entitlement to everyone that met the diagnosis criteria, including children currently on the DD waiver and the DD Central Registry.

The \$6,000.0 as proposed in the bill would provide these services to approximately 800 Medicaid eligible children, estimated to be only 1/3 of the children that have ASD in New Mexico. The cost per person of \$25 thousand general fund is slightly higher than the general

fund cost per person of the DD waiver, currently estimated at \$23 thousand.

SB 164 could create a program that would not have sufficient funding to provide the services. HSD is researching options for structuring this program to provide the maximum level of services for the funding level provided.

In addition, HSD also notes that there is not sufficient funding for case management services that would be provided with adaptive skills building. This cost is estimated to be at \$1,000,000 total.

## **SIGNIFICANT ISSUES**

DOH notes that Autism Spectrum Disorders are lifelong neurodevelopmental, neurobiological conditions. Autism is the fastest growing low incidence disability (US Department of Education 1999). Prevalence rate in New Mexico is estimated to be 3.6 per 1,000 (National Survey of Children's Health 2003-04), or approximately 1,813 children under the age of 18 with autism in New Mexico (NM Treatment Service Data 2004). Estimates of individuals of all ages with the disorder range from 3,600 to 10,800 persons (SWAN 2004). The Southwest Autism Network (SWAN) database shows individuals with autism in every county but two in New Mexico. It is a challenge for rural communities to provide services and trained individuals to provide services to these clients.

SB 164 would provide autism specific services that are not currently available in our state and are outside of the usual therapy and educational services provided through the Department of Education and DOH's Family Infant and Toddler program. This bill will build capacity and infrastructure to serve people with autism spectrum disorders throughout the state by developing a cadre of trained professionals who will be able to provide these services. It will provide training for parents that will complement the professional services. It will create a center at the CDD to provide a state of art, evidence based, best practice services for the state that will contribute to positive outcomes for children and individuals and families with Autism Spectrum Disorder.

Evidence-based research is clear that early and intensive intervention and treatment is important to the overall prognosis of children with Autism Spectrum Disorders (SWAN, Centers for Disease Control and Prevention, 2004). Currently, in New Mexico there is a three-year waiting list for diagnostic evaluations for children over the age of 3. This waiting list limits access to appropriate services and treatment, which may negatively affect prognosis.

The CDD currently has a variety of professionals with training in autism spectrum disorders, but these may not be enough to meet the current and growing need in the state. SB 164 will allow more individuals to access necessary services to improve their prognosis, improve independence, treat co-existing medical and genetic conditions, reduce the need for special education services and custodial care, and reduce the need for life-long interventions. (SWAN 2004, CDC). The funding would pay for the training of 200 professionals and 120 families. Approximately 350 children a year could receive diagnostic services. SB 164 would provide intensive skill building services to almost 800 children and youth in New Mexico. It will also reduce the financial burden on families both directly and indirectly. Indirect costs of lost productivity for families and individuals are estimated to range from \$39,000 to \$130,000 (Ganz 2006).

**ADMINISTRATIVE IMPLICATIONS**

DOH notes an additional FTE would be needed to administer these funds, manage the contracts, provide monitoring and quality assurance of the services provided, and coordinate efforts with HSD & CMS to include skill building services in the Medicaid State Plan. HSD notes that the Medical Assistance Division would need to amend the Medicaid state plan which may require several months to obtain federal approval, if approved, issue program regulations for public comment.

**RELATIONSHIP**

Senate Bill 164 is duplicated by HB 375. DOH notes that SB 164 relates to SB 197, which would amend Chapter 59 of the New Mexico State Statutes to prevent specific health insurance policies, health care plans, or contracts delivered or issued for delivery in New Mexico from excluding coverage for the diagnosis and treatment of Autism Spectrum Disorder.

**AMENDMENTS**

The Center for Development and Disability is at the University of New Mexico. Amend lines 8 and 9, deleting New Mexico state university and replace with University of New Mexico.

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