

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/4/08

SPONSOR Trujillo LAST UPDATED _____ HB 587

SHORT TITLE Mentally Retarded Care Facility Operations SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$217.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
	\$530.0	\$530.0	Recurring	Federal Medicaid Match

(Parenthesis () Indicate Revenue Decreases)

Duplicates HB 341

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 587 appropriates \$217.0 from the general fund to the Human Services Department for operational expenses and to improve staff recruitment and retention at intermediate-care facilities for the mentally retarded (ICF-MR).

FISCAL IMPLICATIONS

The appropriation of \$217.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

This appropriation request is not in the Executives Budget request. An appropriation of \$217,000 in State dollars would be matched with approximately \$530,000 in Federal Medicaid funds. This would enable the Department to increase ICF-MR rates by approximately three percent for one year.

SIGNIFICANT ISSUES

The HSD states that fiscal year 2009 is a “rebasement year” for ICFs-MR, which means that their rates will be adjusted according to their costs and other factors. These rates will be effective September 1, 2008. The estimated increase for the rebasement is an average of approximately 12 - 13%. In addition, Medicaid providers received rate increases for fiscal years 2007 and 2008. ICF-MR providers received increases in both of those years, although less than the three percent proposed in HB587. Given budget exigencies for FY09, it is unlikely that the Department will be able to increase rates for most providers.

DOH adds that the agency’s Los Lunas Community Programs operates a four bed ICF-MR at full capacity. ICFs-MR serve individuals with mental retardation and other related conditions. Most have other disabilities as well. Many of the individuals are non-ambulatory, have seizure disorders, behavior problems, mental illness, visual or hearing impairments, or a combination of the above. Costs are high due to the multiple complexities of staffing, medical, clinical, transportation, residential and service coordination issues.

Additional funds would improve staff recruitment and staff retention, resulting in a more qualified, stable workforce. For the well being of the individuals served, it is imperative that a qualified, stable and consistent workforce be maintained. Quality, consistent staffing deescalates and reduces behavioral, clinical psychological and medical issues with individuals. This provides a better quality of life and transition to the community via employment and self worth. This stability in the provision of care and services is critical to an individual’s ability to become as independent as possible and live the highest quality of life attainable.

DUPLICATION

House Bill 587 duplicates House Bill 431.

GH/mt