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FISCAL IMPACT REPORT

ORIGINAL DATE 02/02/10

SPONSOR Chavez, El LAST UPDATED _____ HB HJM 28

SHORT TITLE Review Nursing Facility Licensing SB _____

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$5.0 - \$25.0			Nonrecurring	DOH

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Joint Memorial 28 requests DOH to review its process for licensing and certifying nursing facilities and to identify measures to improve standards of care in nursing facilities.

The Memorial provides for the following:

- it is the mission of the Division of Health Improvement (DHI) of DOH to ensure safety and quality care in New Mexico's health facilities, including nursing facilities, in collaboration with consumers, providers, advocates and other agencies;
- the Health Facility Licensing and Certification bureau (HFLC) within DHI has the responsibility to establish, monitor and enforce quality standards in health facilities, including nursing facilities, to ensure the safety and well-being of the residents;
- the goal of this work is to ensure that the public receives the type of care that promotes the residents' quality of life, their dignity and their autonomy;
- in order to accomplish this work, the bureau conducts licensing and certification surveys and oversight and contract compliance surveys and maintains a statewide incident management system so that people in New Mexico have access to quality health care and so that vulnerable populations are safe from abuse, neglect and exploitation;

- the licensure regulations for nursing facilities require that sufficient nursing staff be assigned to meet each resident's needs and to implement each resident's comprehensive care plan;
- in order to ensure sufficient nursing staff, the nursing facility regulations describe minimum staffing levels of two and three-tenths hours per patient day calculated on a seven-day average;
- according to a report produced by the federal centers for Medicare and Medicaid, of eighteen reporting nursing facilities in the Albuquerque area, thirteen reported staffing hours that were below average or much below average;
- according to that same report, of nineteen nursing facilities evaluated, eleven were found to be below average or much below average in overall rating;
- the data obtained from the centers for Medicare and Medicaid report comparing nursing facilities in the Albuquerque area appears to be inconsistent with the mission, goals and objectives of DOH in meeting its responsibility to ensure safety and quality care in New Mexico's nursing facilities; and
- people who reside in nursing facilities are among the most vulnerable and at-risk people in the state, and they are often limited in their ability to advocate for better living arrangements for themselves and unaware of the regulations by which those facilities gain licensure and certification to operate as nursing facilities;

The Memorial further provides that DOH be requested to present a report to the interim Legislative Health and Human Services Committee about actions the state is taking or plans to take to improve standards in nursing facilities, including a description of the measures to be used to accomplish this improvement.

FISCAL IMPLICATIONS

DOH reports that the work of the memorial would put a burden on limited staff and resources. There is no appropriation identified in the memorial to support those efforts.

Fiscal impact will be dependent upon the measures implemented by the department to improve standards in nursing facilities.

SIGNIFICANT ISSUES

DOH further reports that licensing is a state process and the department periodically reviews its licensing regulations and makes changes as necessary.

DOH notes that state licensing and federal certification surveys are posted on the DOH/DHI website as soon as the provider's plans of correction are approved or within 90 days, whichever comes first.

PERFORMANCE IMPLICATIONS

DOH further notes that certification is a federal process that is dictated by the Centers for Medicare and Medicaid Services. The state survey agency acts as its agent and must follow its guidance. The state can not make changes to the federal process.

ADMINISTRATIVE IMPLICATIONS

DOH is being requested to disclose on its web site the frequency and findings of the surveys conducted for the purpose of licensing and certifying nursing facilities.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

DOH will continue to be expected to review its licensing regulations and make necessary changes administratively.

AHO/mew