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# FISCAL IMPACT REPORT

SPONSOR	SJC		ORIGINAL DATE LAST UPDATED	HB	
SHORT TITLE Community Health		Workers Act	 SB	58/SJCS	

### ANALYST Esquibel

#### Recurring **Estimated Revenue** Fund or Affected **FY14 FY15 FY16** Nonrecurring Certification Fees: Recertification Unknown Unknown Recurring Fees: Disciplinary Fines

**REVENUE (dollars in thousands)** 

(Parenthesis ( ) Indicate Revenue Decreases)

SB 58 relates to the General Appropriation Act as the House Appropriations and Finance Committee is recommending \$500 thousand in FY15 to fund the Department of Health to certify community health workers.

SB 58 relates to HM 12 which requests the University of New Mexico Health Sciences Center (UNMHSC) to convene a taskforce to study using community health workers in New Mexico.

### SOURCES OF INFORMATION

LFC Files

Responses Not Received From Department of Health (DOH) Human Services Department (HSD) University of New Mexico Health Sciences Center (UNMHSC)

## SUMMARY

### Synopsis of Bill

The Senate Judiciary Committee Substitute for Senate Bill 58 as amended by the Senate Public Affairs Committee would enact the "Community Health Workers Act (CHS Act)," which would require the Department of Health (DOH) to:

- 1. Adopt and promulgate rules regarding the establishment and administration of a voluntary program for certification of community health workers, including criteria for minimum education, training, experience, and other qualifications the secretary of DOH deems appropriate in accordance with the CHW Act;
- 2. Establish standards for continuing education and procedures for disciplinary action;

- 3. Create guidelines for applicants' appeal rights;
- 4. Determine, assess and collection certification fees, recertification fees and disciplinary fines;
- 5. A board that shall meet quarterly to provide recommendations to the DOH secretary on the standards for education and training of certified community health workers, their continuing education requirements and the requirements to be a trainer for certifying CHWs; and
- 6. Rulemaking, collection of fees, criminal background screening and disciplinary action relating to community health workers.

Highlights of the Senate Judiciary Committee substitute for SB 58 as amended by the Senate Public Affairs Committee include:

- Changed the definition of community health worker to specify community health workers (CHWs) will aim to optimize individual and family health outcomes, provide informal and motivational counseling and education, maximize social supports, conduct care coordination, facilitate access to health care and social services, conduct health screenings, and other items as identified by the DOH secretary via rule;
- Deleted sections on CHS core competencies and on the "practice as a certified community health worker;"
- Removed requirements on the "attestation of a CHW applicants' good moral character;"
- Added a section creating the right of a CHS applicant to appeal regarding certification or recertification;
- Clarified DOH shall promulgate rules regarding the determination, assessment and collection of certification fees, recertification fees and disciplinary fees;
- Eliminated the authority of the board to evaluate, approve and accept CHW's training and education standards and changed this to advising the DOH secretary on these matters;
- Eliminated a provisional license for community health workers (CHWs); and
- Eliminated the Department of Health's ability under the Community Health Worker Act to institute legal proceedings against persons violating the provisions of the Act.

# FISCAL IMPLICATIONS

The Senate Judiciary Committee substitute for SB 58 as amended by the Senate Public Affairs Committee contains no appropriation.

The Senate Judiciary Committee substitute for SB 58 as amended by the Senate Public Affairs Committee relates to the General Appropriation Act as the House Appropriations and Finance Committee is recommending \$500 thousand in FY15 for the Department of Health to fund certification of community health workers.

Under the provisions of the bill, the Department of Health could generate other state fund revenue by collecting fees for the certification and recertification of community health workers and collection of disciplinary fines.

Regarding SB 58, the Human Services Department reports Centennial Care contracts require its managed care organizations to utilize community health workers in meaningful ways to improve health care outcomes for Medicaid recipients.

Enacting a certification program for community health workers would allow the Medicaid program to seek federal approval to pay for the certified services with Medicaid funds which would be a combination of federal and state general funds. Medicaid providers would be able to seek reimbursement from the Medicaid program for services provided by certified community

health workers in both clinical settings and within communities.

A large number of community health care workers live in rural and frontier areas of the state. Often they must piece together grant funding in order to stay employed. Providing an opportunity for community health workers to achieve certification affords different reimbursement options from health insurance entities, which stabilizes their employment, improves access to care in rural areas and increases gainful employment opportunities for New Mexicans. Additionally, this may be advantageous to those working in rural areas so that they don't move to urban areas seeking better job opportunities.

## SIGNIFICANT ISSUES

National studies have documented the effective use of highly trained community health workers, particularly in rural and frontier areas. Patients experience higher compliance with their physical and behavioral health treatments, thus improving patient health outcomes.

Certification for community health workers would allow for recognition and standardization of the profession, as well as increased potential for funding community health worker positions through Medicaid reimbursement, clinical revenues, and funding for non-profit organizations that employ community health workers.

Community health workers have a long history of practice in the state. Usually, promotoras and tribal community health representatives are also considered to be types of community health workers. Nothing in the bill prevents the continued practices of the promotoras and community health representatives if they choose not to seek certification.

# ADMINISTRATIVE IMPLICATIONS

Regarding SB 58, the University of New Mexico Health Sciences Center (UNMHSC) indicates:

- While a "grandfathering" process is not specified in SB 58, if certification becomes a required process it could potentially exclude the majority of currently practicing community health workers in New Mexico.
- For those organizations lacking the capacity to develop internal accredited training programs, training could be available through community colleges, tele-media or other localized means.

# **OTHER SUBSTANTIVE ISSUES**

Regarding SB 58, the University of New Mexico Health Sciences Center indicates many community health workers are employed for specific grants, often on a part-time temporary basis. Certification would allow for the standardization and recognition of the profession, potentially leading to opportunities to create full-time permanent positions for community health workers through Medicaid reimbursement, clinical revenue, and increased funding for community-based programs.

In order for the recognition of the community health worker profession and integration into health systems to be successful, there also needs to be training of the rest of the health team (physicians, nurses, allied health professionals, administrative staff, etc.) as to the role, scope of work, and benefit of community health workers.

The development of a certification requirement can place an economic burden on individuals and organizations to obtain certification. Should other programs, such as Medicaid or private insurers require certification for reimbursement, a shortage of community health workers is created. This is particularly a problem in rural and frontier areas of the state where small organizations may provide community health workers services but not have the capacity, training resources or financing to create certified training programs due to distance or financial burden.

Regarding SB 58, the Department of Health reports the financial benefits generated by community health workers offset the investment.

• A recent University of New Mexico (UNM) study compared the impact of a community health worker intervention on relatively high consumers of health resources in a Medicaid managed care system. For consumers who received intervention from a community health worker, there was a total cost savings of \$2 million compared to other high consumers who had not received intervention (Source: Johnson, *et al.* 2012. Community Health Workers & Medicaid Managed Care in New Mexico. Journal of Community Health 37:563-571).

RAE/jl:ds