F I S C A L I M P A C T R E P O R T

SPONSOR Ortiz y Pino **ORIGINAL DATE** 02/16/15 **LAST UPDATED** 03/04/15 **HB**

SHORT TITLE HSD Child Screening **SB** 244/aSPAC

ANALYST Boerner

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	$106,000.0	$106,000.0	Recurring	Federal Medicaid to HSD Program Funds

(Parenthesis ( ) Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						
General Fund		$46,000.0	$46,000.0	$92,000.0	Recurring	General Fund
Federal Medicaid Funds		$106,000.0	$106,000.0	$212,000.0	Recurring	HSD Program Funds
Total		$152,000.0	$152,000.0	$304,000.0		

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION
LFC Files

Responses Received From
Human Services Department (HSD)
Department of Health (DOH)

SUMMARY

Synopsis of the Senate Public Affairs Committee Amendment

- The SPAC amendment inserts the word "prevention" on page 2, line 2, indicating the department shall provide for the *prevention* and treatment of a recipient's medical behavioral and development conditions.
- The SPAC amendment also strikes on page 2, lines 6 through 15, which describe the medical necessity standard to be established in rule by HSD. New language for the standard states the department shall provide for clinical and rehabilitative physical, mental or behavioral health services that are:
  A. essential to prevent, diagnose or treat medical conditions or are essential to enable the child to attain, maintain or regain functional capacity;
  B. delivered in the amount, duration, scope and setting that are clinically appropriate to the specific physical, mental and behavioral health care needs of the child;
  C. provided within professionally accepted standards of practice and national guidelines; and
  D. required to meet the physical, mental and behavioral health needs of the child and are not primarily for the convenience of the child, provider or payer.
- Finally, the SPAC amendment adds additional language on page 2, line 24, indicating services delivered to children as described in this bill on the basis of need will not require as a condition of reimbursement *that a child be identified as a child with a mental health diagnosis or* as having a serious emotional disturbance.

Synopsis of Original Bill

Senate Bill 244 would enact a new section of the Public Assistance Act to provide for enhanced services under the early and periodic screening, diagnosis and treatment (EPSDT) program.

- A primary new component is the inclusion of screening for adverse childhood experiences (ACE's – described by DOH in more detail below) within the EPSDT program. HSD is directed to refer recipients for services appropriate to minimize the impact of the adverse childhood events on the recipient's life.
- A second primary component is the requirement for HSD to mandate that *any* provider of services to recipients under 18 years of age, not just Medicaid providers, must screen for ACE's.

The adverse childhood experiences (ACEs) outlined by SB 244 would be emotional or physical abuse or neglect, sexual abuse, substance abuse in the household, mental illness of a household member, loss of contact with a parent, homelessness, persistent poverty, and the experience of being a child parent, or being raised by a child parent, without adequate social supports.

Further, SB 244 requires HSD to:

- Establish a medically necessary standard to provide for the treatment of an existing condition; the prevention or worsening of a condition; the improvement of overall health; assured recipient access to resources to these outcomes; and assistance for recipients in effectively using health care resources for optimal health outcomes;

- Adopt and/or promulgate rules for reimbursement of preventive and early intervention services, without the child having to be diagnosed with a serious emotional disturbance;
- Require screening of children under age 18 years for adverse childhood events by any provider of EPSDT services, including those funded through the interagency behavioral health purchasing collaborative, and all other programs to recipients less than eighteen years of age, and to refer them for services; and
- Require providers to submit data to HSD on adverse childhood events reported, which HSD would then analyze and report to the Legislative Health and Human Services committee each November.

FISCAL IMPLICATIONS

HSD estimates the overall financial impact is estimated to be $151 million annually; $106 million of which would be federal Medicaid matching funds, and approximately $46 million would come from state general funds. This figure is derived from: 1) increased staff for both HSD and MCOs to carry out additional reporting requirements; 2) additional staff for making referrals from the Medicaid fee for service program; 3) additional payments to providers for EPSDT screenings and screening not on the periodicity schedule; 4) increased payments to non-EPSDT providers; and finally, 5) increased payments to providers given (according to HSD) national estimates show that about 23 percent of children screened will be found to have experienced at least two adverse childhood experiences.

HED notes a significant fiscal impact of the bill is that any provider of services must screen recipients less than 18 years of age for ACE's, not just EPSDT providers (which would presumably include dentists, speech therapists, pharmacists, etc.).

While all health care professionals may be alerted to the potential that a child is being abused or neglected, the bill would require the provider to go beyond being alert to the possibility of abuse; rather, it would require a screening for 11 adverse events without regard to whether such screening is in the scope of practice of the provider. It would also place a large reporting burden on many providers who do not do EPSDT screenings.

SIGNIFICANT ISSUES

A recent US Department of Health and Human Services Office of Inspector General Report indicated children were not receiving all required screenings under the Medicaid Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program, and those who receive screenings may not receive all components of the screenings. http://oig.hhs.gov/oei/reports/oei-05-13-00690.asp. Screening for ACE's as described by SB 244 is not currently a federally-required screening for children under the age of 18 receiving Medicaid.

According to the report,

- Every State Medicaid program must offer the EPSDT benefit which covers four health-related areas: medical, vision, hearing, and dental. Each State establishes its own schedule for frequency of each type of screening which varies by the child's age.
- Unlike the other three types of screenings, medical screenings have components specifically required by statute. Complete medical screenings under the EPSDT benefit must include the following five components: (1) a comprehensive health and

developmental history (**including assessment of both physical and mental health development**); (2) a comprehensive unclothed physical examination; (3) appropriate immunizations; (4) appropriate laboratory tests and (5) health education. Medical screenings are often called well-child or well-care visits.

- States are required to provide comprehensive services and furnish all Medicaid coverable, appropriate, and medically necessary services needed to correct and ameliorate health conditions based on certain federal guidelines. EPSDT consists of screening, diagnostic, and treatment services, as well as other necessary health care services that are coverable under the federal Medicaid program and found to be medically necessary to treat, correct or reduce illnesses and conditions discovered regardless of whether the service is covered in a state's Medicaid plan. It is the responsibility of states to determine medical necessity on a case-by-case basis.

EPSDT Reporting Requirements

States must report to CMS information about the number of children who (1) receive medical screenings, (2) are referred for corrective treatment, and (3) receive dental services. States report this information at an aggregate level and for seven different age groups. States report only complete medical screenings, i.e., those that include all five components. States are not required to report any information about vision or hearing screenings.

According to HSD:

- Under Centennial Care, Managed Care Organizations (MCOs) incorporate all five components of the medical screening. EPSDT assessments include well child check that includes both physical and mental health checks, adolescent well care, childhood immunizations, adolescent immunizations and lead screening measures.
- Mental health evaluations in New Mexico's current EPSDT screenings currently include a biological history and background, a psychological review of child and family history and a social assessment of the child's environment. If the results of the assessment indicate the child needs mental health assistance, the child is sent for more testing and evaluation for treatment.
- The EPSDT population of children is not broken out from the NM Medicaid population, and the **MCOs do not specifically track EPSDT services provided to Medicaid members**. There are no state mandated forms for EPSDT screenings.

DOH provided the following background information:

The Adverse Childhood Experiences (ACE) study conducted by the Centers for Disease Control and Prevention (CDC) measured seven types of adverse childhood experiences from two categories: abuse experiences (psychological abuse, physical abuse, and sexual abuse) and household dysfunction experiences (substance abuse, mental illness, family violence, and criminal behavior in the household). Study findings revealed most children exposed to one category of childhood abuse or household dysfunction were also exposed to at least one other category, and the more categories of exposure the greater the prevalence of many risk factors and disease conditions. In addition, poverty and homelessness may amplify the impact of ACEs. Maltreatment causes stress that can disrupt early brain development, and serious, chronic stress can harm the development of the nervous and immune systems. As a result, children who are abused or neglected are at higher risk for health problems as adults. These problems include alcoholism, depression, drug abuse, eating disorders, obesity, high risk sexual behaviors, smoking, suicide, and certain chronic diseases.

The Behavioral Risk Factor Screening Survey administered by the Department of Health added a module of ACE screening questions to its 2009 survey; 5,271 adults completed this module (Adverse Childhood Experiences Report by Adults --- Five States, MMWR, December 17, 2010 / 59(49); 1609-1613). While 38.9 percent of respondents reported no ACEs, 12.6 percent reported 2 or more, 10 percent reported 3 or more, and 16.7 percent reported 4 or more (Ibid.).

These findings suggest that adverse childhood experiences have a significant impact on the health and mental health of New Mexicans. They further suggest that early intervention may assist in preventing maladaptive behaviors that may result in adverse health consequences across the lifespan.

ALTERNATIVES

Given substantial federal guidance exists for the administration of the Medicaid EPSDT program, an alternative to this bill would be to require HSD to track EPSDT services provided to Medicaid members to ensure compliance with US Department of Health and Human Services, Office of Inspector General recommendations to ensure children are receiving all required screenings and that those who receive screenings receive all recommended components of the screenings. http://oig.hhs.gov/oei/reports/oei-05-13-00690.asp.

Given the potential financial and administrative burdens the bill as written may impose, ensuring the state's most vulnerable population, the majority of which are Medicaid recipients, receive proper and federally-required EPSDT screenings is a good first step.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

EPSDT screenings will continue as currently managed by the state's MCO's which do not specifically track EPSDT services provided to Medicaid members.

CEB/aml/je/bb/je