

AN ACT

RELATING TO DEVELOPMENTAL DISABILITIES; PROVIDING FOR AN ANNUAL COST-OF-LIVING INCREASE FOR DEVELOPMENTAL DISABILITIES SERVICE PROVIDERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 28-16A-16 NMSA 1978 (being Laws 1993, Chapter 50, Section 16) is amended to read:

"28-16A-16. DETERMINATION OF RATES FOR PAYMENT FOR SUPPORT AND SERVICES.--

A. The department shall develop, implement and maintain a provider reimbursement system based on the level of support and services required by a person with a developmental disability.

B. If the approved funding from the legislature does not permit the implementation of a reimbursement system using the considerations provided for in this section, the department shall develop and implement a service reduction plan.

C. The department shall develop and include annually in its budget request submitted to the governor and the legislative finance committee a specific request for a cost-of-living increase for service providers. If the legislature approves funding for this item, the department shall, at the beginning of each fiscal year, increase

payments to developmental disabilities service providers by the precise cost-of-living increase percentage amount approved by the legislature. In developing its cost-of-living budget request, the department shall use the health care financing administration basket index inflation factor.

D. The department shall report to the legislature and the governor the impact of any service reduction plans and the steps that will be taken to reinstate those services.

E. The department shall report annually to the legislature and the governor an estimate of the costs of maintaining support and services for persons with developmental disabilities being served, including the effects of changes in the costs of providing support and services, an estimate of the costs of providing support and services to persons that are eligible for service but not receiving services and the request of the department for funding of services.

F. Contractors shall be required to submit records of support and services delivered as determined by the department, subject to monitoring by the department.

G. Contingent upon appropriations, the department shall conduct an independent biannual cost study for the purpose of establishing payment rates. The results of this study shall be submitted to the legislature."

Section 2. EFFECTIVE DATE.--The effective date of the

provisions of this act is July 1, 2001. _____