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August 15, 2014

## **DISABILITY CONCERN SUBCOMMITTEE**

### **RATE INCREASES UPDATE FY 2014-2015**

The New Mexico Legislature appropriated \$1,000,000 in State General Funds to increase rates for the Family Infant Toddler and the Developmental Disability Medicaid Waiver programs in Fiscal Year 2014-2015.

- Family Infant Toddler Program - \$500,000 rate increase
  - Implemented effective July 1, 2014
  
- Developmental Disability Medicaid Waiver Program - \$500,000 rate increase
  - Not implemented until next calendar year, possibly February 2015
  - Concern that the implementation delay will result in more than half of the rate increase appropriation reverting back to the State General Fund



ASSOCIATION OF DEVELOPMENTAL DISABILITIES COMMUNITY PROVIDERS

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## **DISABILITY CONCERNS SUBCOMMITTEE**

### **DEVELOPMENTAL DISABILITY STATE GENERAL FUND PROGRAM**

#### **Key Issues:**

Developmental Disability State General Fund (DDSGF) services are provided through a network of community based agencies. The majority of the service providers are long established, non-profit agencies. DDSGF was the original funding source for developmental disability services.

- \* Persons receiving DDSGF services are on the Central Registry waiting for services through the Developmental Disability Medicaid Waiver (DDMW) program or are ineligible for DDMW services;
- \* The vast majority of DDSGF providers are long established, highly committed, non-profit agencies;
- \* Services are provided to both children and adults through the DDSGF program.
  
- \* The DDSGF program has had only 1, minimal rate increase in the last 25 years;
- \* Costs for program operations and employee benefits continue to rise;
- \* Unfunded mandates, regulations and compliance demands make it difficult for agencies to continue providing these services;
- \* Reimbursement rates for DDSGF Day services range from approximately 30% to more than 50% for similar services provided through the DDMW program;
- \* There is an approximate 55% difference in reimbursement rates for DDSGF Residential services as compared to similar living services funded through the DDMW program;
- \* Agencies are forced to supplement these services through other, non-governmental funding sources in order to continue providing services;
- \* More than \$5,000,000 State General Funds are needed to raise rates to more adequately cover operational and staffing costs.

#### **Recommendations:**

- \* Increase rates to adequately fund the costs of providing DDSGF services;
- \* Request that the Department of Health include a rate increase for DDSGF services in their annual budget request to the Executive and the Legislature.