

The New Mexico DD Waiver

Recent History and Perspective

2010

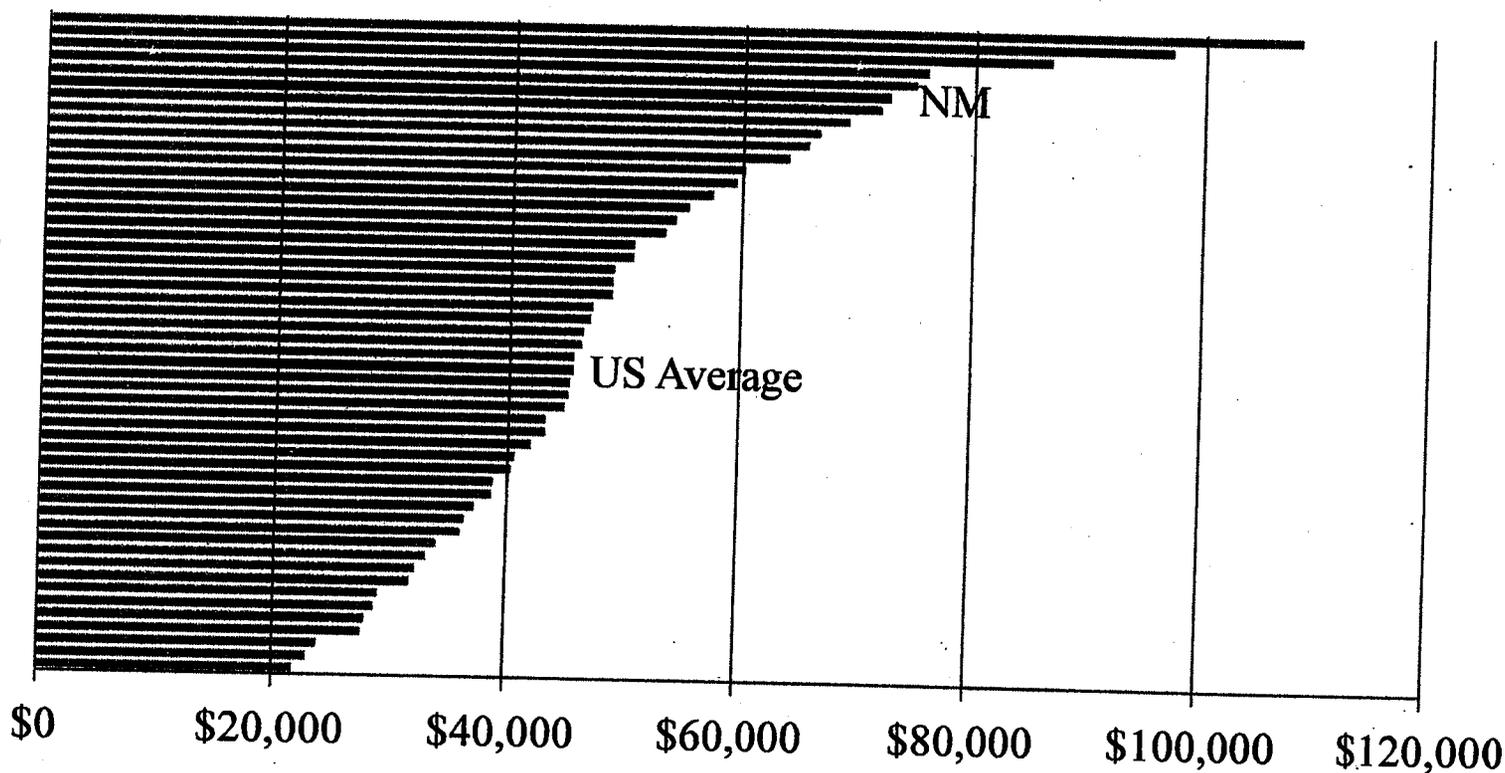
Department of Health and HSRI handed us a graph.

They told us we were spending too much on our waiver.

They said we were the 6th worst in the nation.

Committing to Community and Sustainability

- For those enrolled on HCBS waivers, New Mexico has the sixth highest per-person cost in the nation¹



¹Lakin, et al., *Residential Services for Persons with Developmental Disabilities: Status and Trends Through 2009*

They gave us a table and more scary projections.

They told us our cost was going to skyrocket from

\$73,500 in 2009 to \$ 75,300 in 2010.

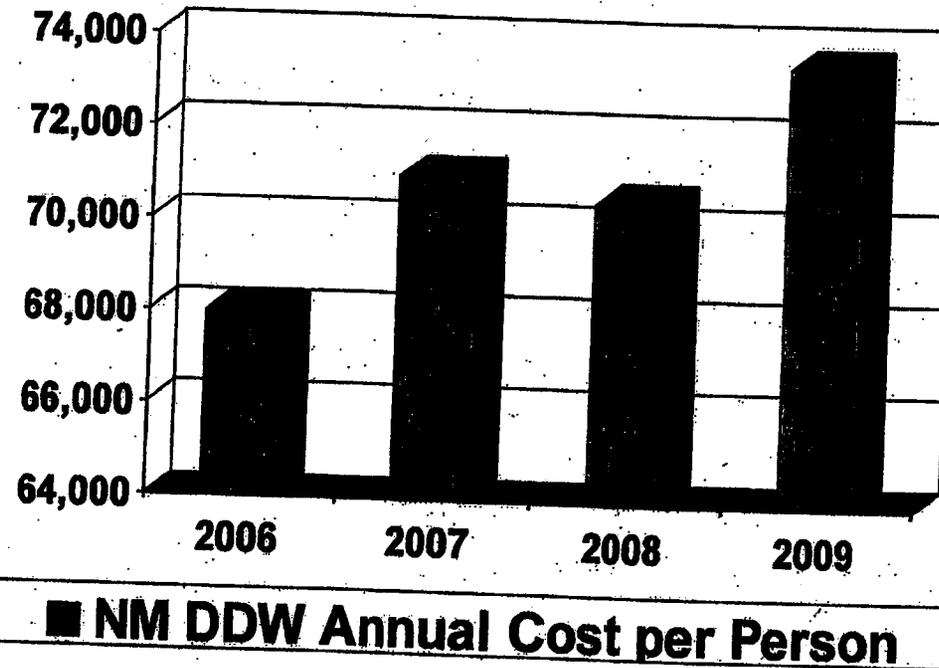
They projected

MULTI MILLION-DOLLAR DEFICITS in the future.

The waiver was **UNSUSTAINABLE**.

***The Picture Today:
The cost per person served continues to
increase. Resources are limited.***

- FY09 average cost per individual for traditional DD waiver program: **\$73,500.**
- Projections for FY10: **\$75,300.**
- DOH projects multimillion-dollar deficits in future fiscal years.



HSRI said they could fix it. (for a million dollars)
What they didn't say was - The projected increase

Was less than INFLATION at that time (2.5%)

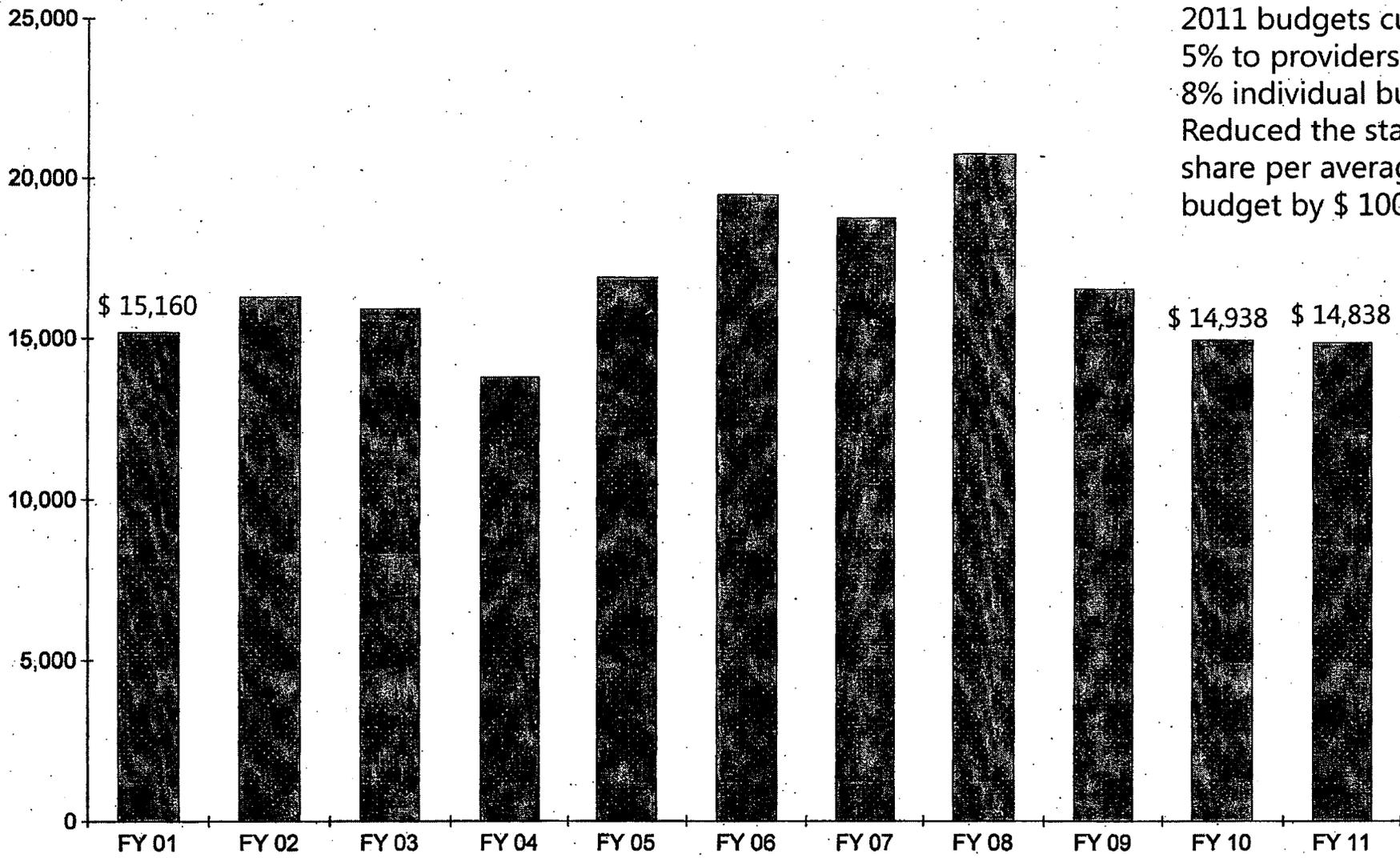
$\$ 73,500 \times 1.025 = \$ 75,337$ (projected \$ 73,500)

The other thing they didn't tell us was that the
States share of the average budget went DOWN

From \$ 16,536 to \$ 14,938.

In fact, it went down to less than it was in 2001.
While the state added more people to the waiver
from 2001 to 2011; their support per person
went down in actual dollars and way down in
inflation adjusted dollars.

The increase in the federal match rate, is what
covered the increases in average budgets.



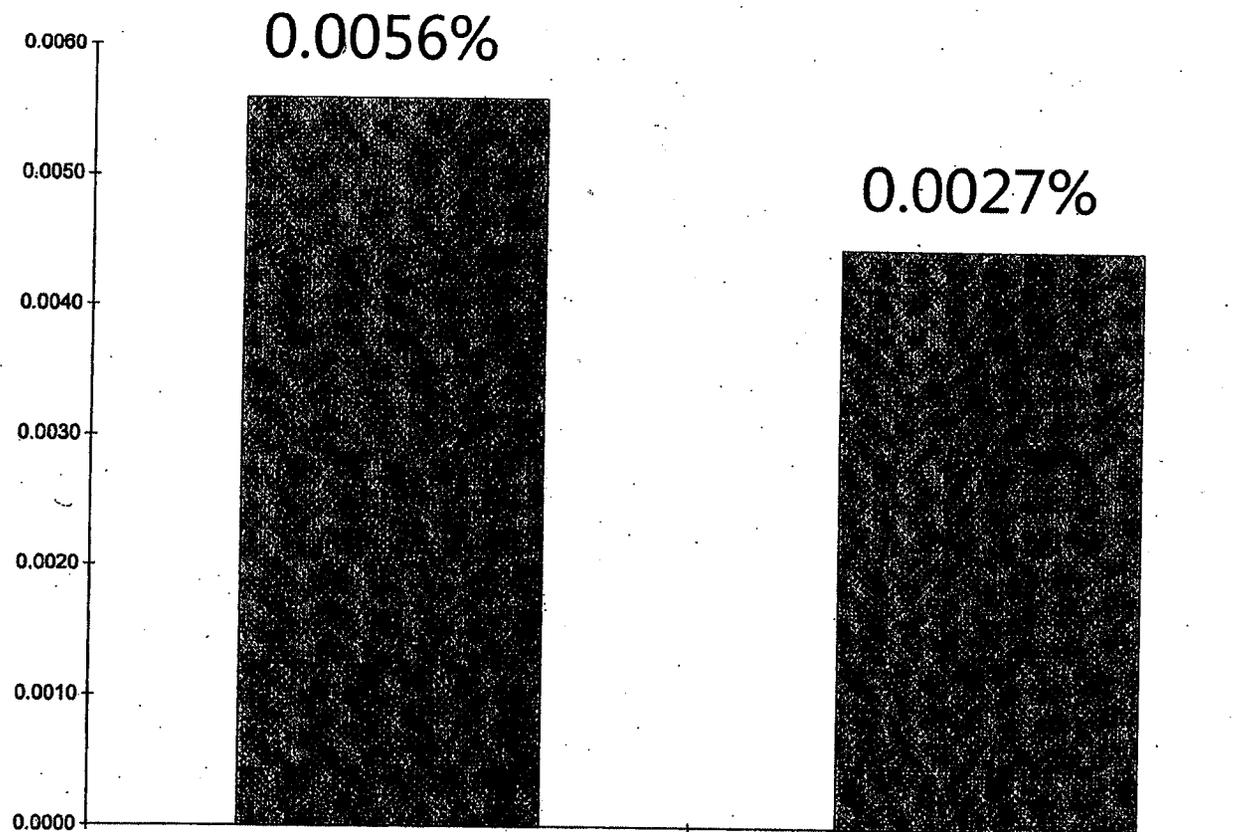
2011 budgets cuts of 5% to providers and 8% individual budgets Reduced the states share per average budget by \$ 100 each

New Mexico's share of average waiver budgets

Source Larson et al,

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In 2001 State DD waiver was 0.0056% of the state budget.
In 2011 it had dropped by 24% to 0.0027% if the budget



Source: Larson et al, U.S. Government Spending.com

Apparently New Mexico's disabled population's share of the pie wasn't dropping fast enough to be "SUSTAINABLE"

So after the budget cuts of 2011

DOH hired HSRI and AAIDD to save us even more money by paying them millions of dollars.

Then they showed up in Socorro in September 2013

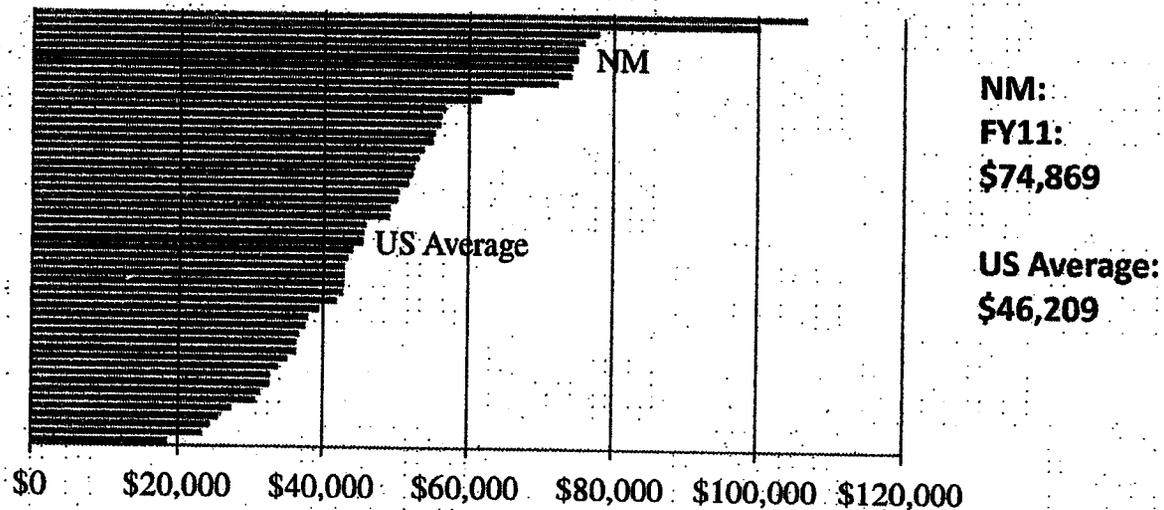
And handed us the same graph

And we still were 6th worst in the nation.

The 2011 budget cuts weren't enough to fix it.

Average Cost Per Person Through 2011

For those enrolled on HCBS waivers, New Mexico had the sixth highest per-person cost in the nation¹



¹Larson, et al., *Residential Services for Persons with Developmental Disabilities: Status and Trends Through 2011*, Current NM cost is \$73,000.

9/6/2013

Then if you look at the source on their graph

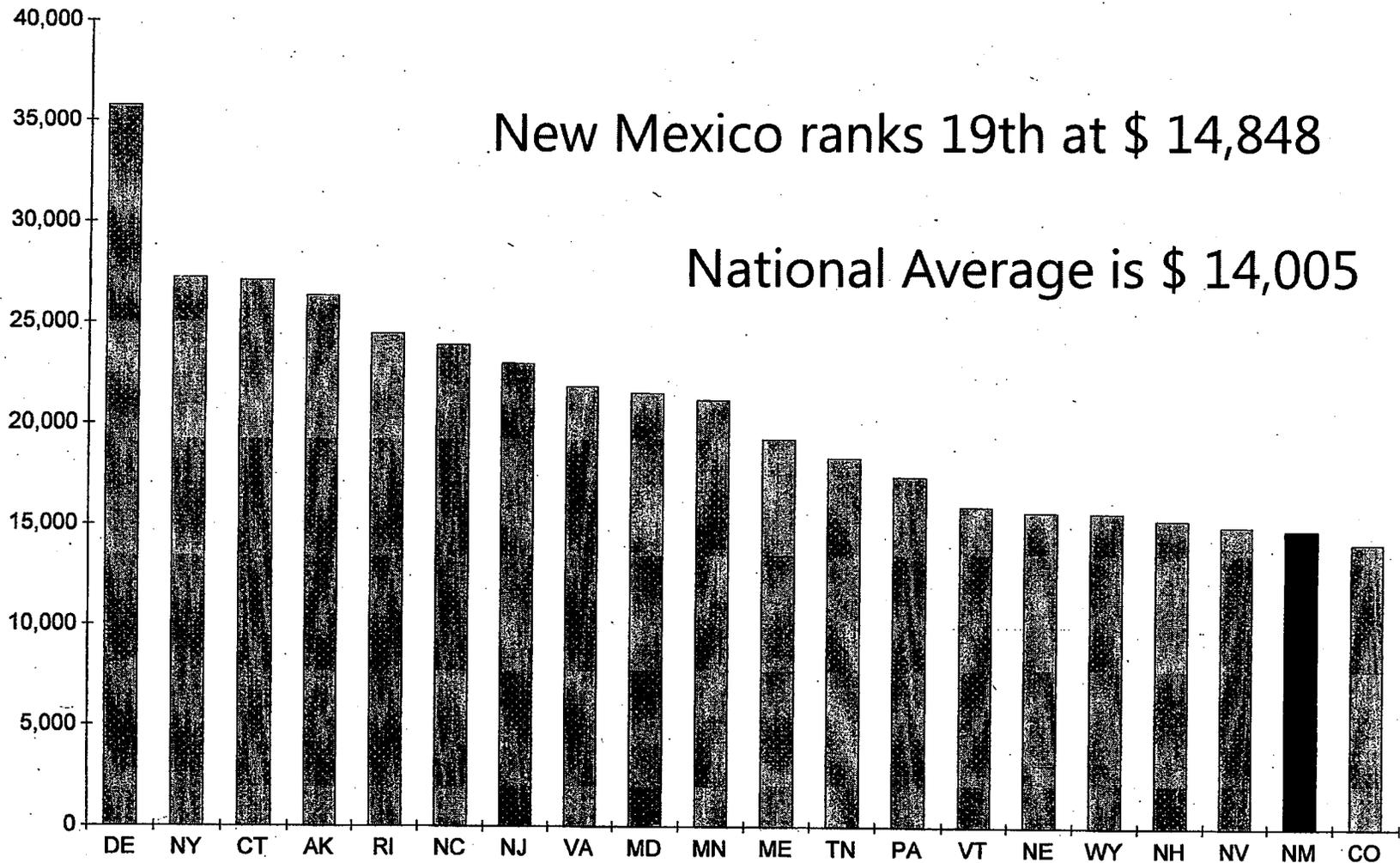
And look it up

And find every state has a different Federal match.

Then you find out what each state

**IS ACTUALLY PAYING ON
AN AVERAGE BUDGET**

And guess what? WE RANK 19TH



Source Larson et al, 2011 study

Rank in state spending for average waiver budget

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**Okay, so why does the budget number they gave us
of \$ 74.869**

Seem so high compared to other states?

- 1. We care for our people from the lowest to the highest needs under our waiver.**
- 2. Most other states only care for those with the lowest needs under their waiver so their waiver cost is less per person.**

So where do they put them?

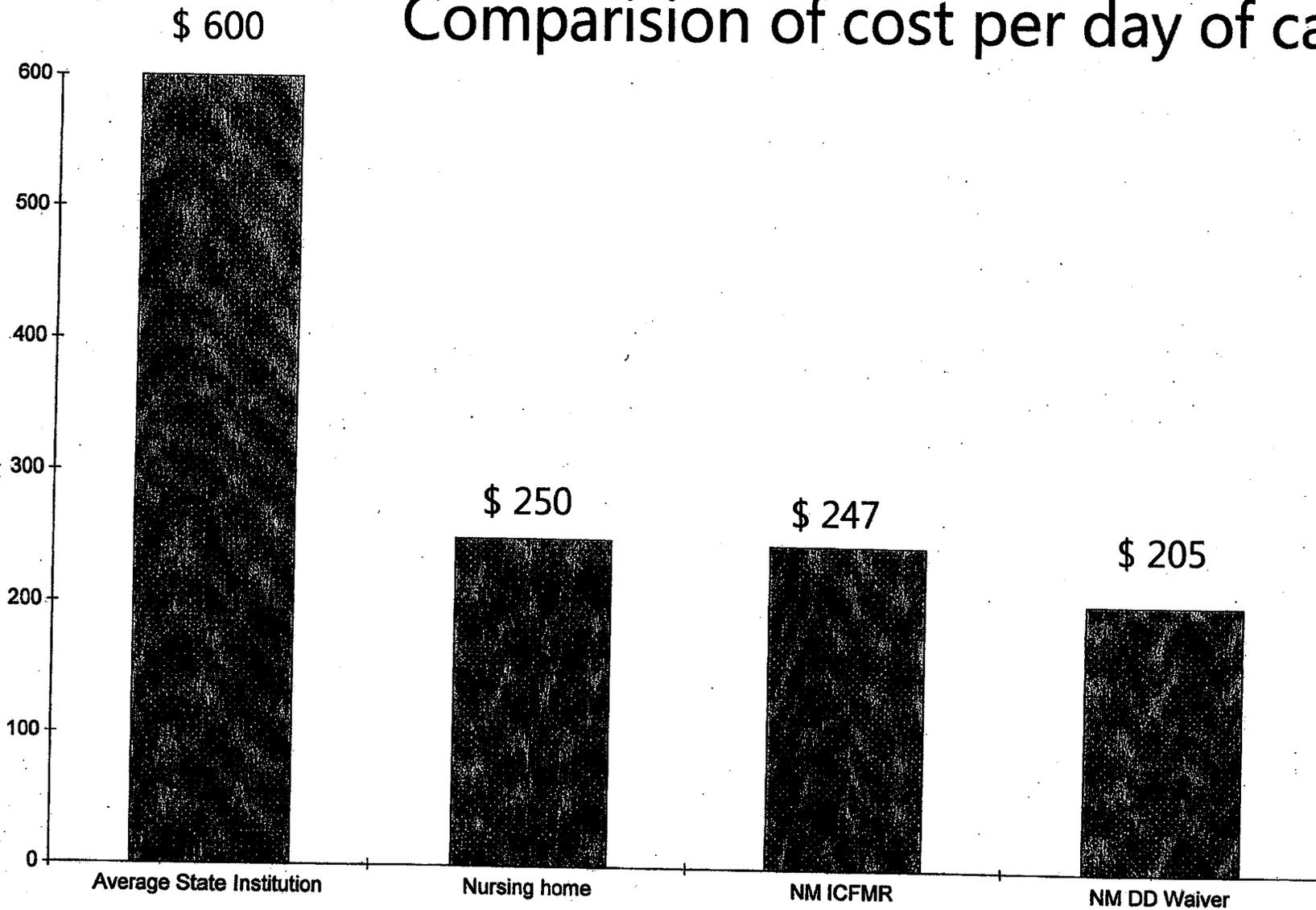
1. Institutions.
2. Intermediate care facilities.
3. Nursing homes.

Does that save them money?

It saves them money on their waiver BUT their overall costs are ACTUALLY HIGHER. Institutional care costs are around \$ 600 per day.

Intermediate Care Facilities average \$ 400 per day.
Nursing homes cost more too.

Comparision of cost per day of care.



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So how do we really compare to other states?

Let's look at ourselves. Where we would be if the Jackson Lawsuit didn't happen and we did what almost all the other states did.

We could have the 25% with the lowest needs on the third cheapest waiver in the country at \$ 25,000 per year

The next 25% in an Intermediate Care Facility

The next 25% still at Ft. Stanton

And the 25% with the highest needs at Los Lunas.

What if the Jackson lawsuit didn't happen?

Now the total is \$ 75,000 X 4000 persons = \$ 300,000,000

	DD persons	Cost per day	Cost per year
Los Lunas	1000	\$600.00	\$219,000,000
Ft. Stanton	1000	\$600.00	\$219,000,000
Intermediate care facility	1000	\$247.00	\$90,155,000
DD waiver	1000	\$68.50	\$25,002,500
Total DD waiver recipients	4000	Total cost	\$553,157,500
	Divided by waiver recipients		4000
	Average cost per person / day		\$378.88
What New Mexico's share would be now	per person / day		\$79.56
What we pay	per person / day		\$43.00

If the Jackson suit didn't happen and we went along just like all most all of the rest of the states our costs per person would be almost double of what they are.

In reality the Jackson Lawsuit has saved us hundreds of millions of dollars and we have been just too blind to see it.

How New Mexico stacks up against other states.

We have 4000 people at \$ 75,000 = 300 million (state and fed)

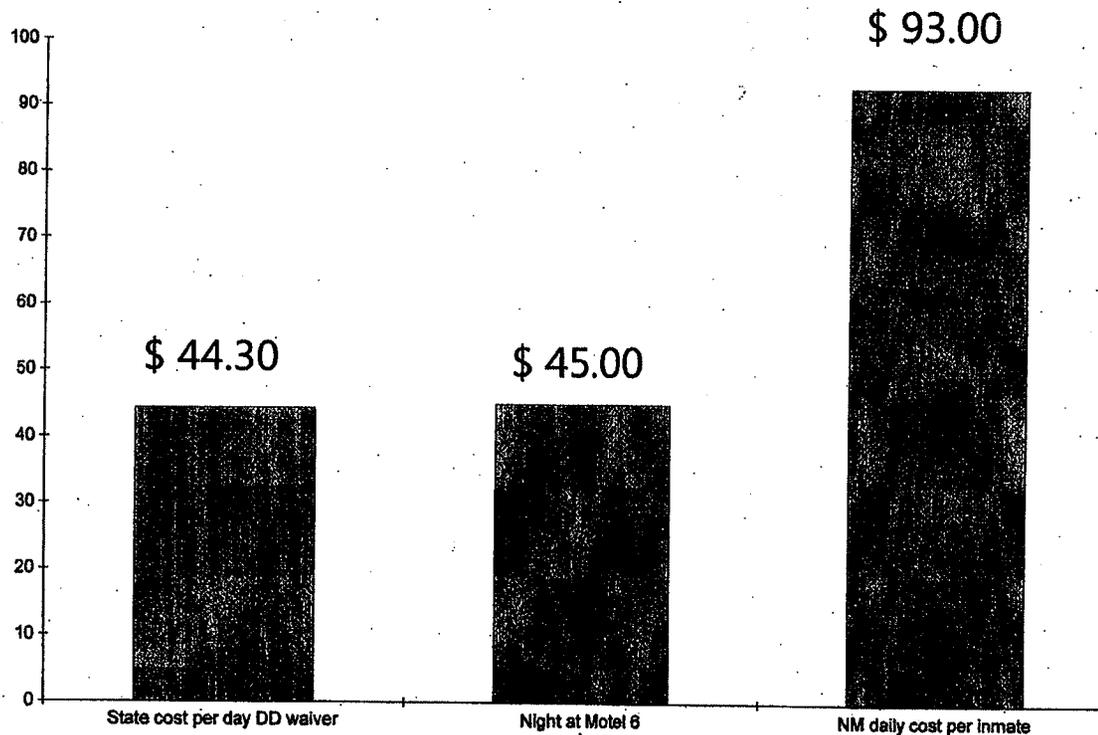
LOUISIANA - Average waiver cost (state and fed) \$ 46,902
Much cheaper than ours, BUT They have 930 people in institutions at \$ 527 a day at a total cost of \$ 490 Million.

They spend \$ 190 million more taking care of 930 people than we do taking care of 4000 people under our waiver.

TEXAS - Average waiver cost (state and fed) \$ 42,683.
Much cheaper than ours, BUT. They have 3994 people in state institutions at \$ 523 per day. Same number of people as our waiver, **Their cost \$ 2.08 BILLION**

Here is what New Mexico's costs per day are when our share of 21.1% of the match rate is considered.

This is what WE pay/day for the average DD waiver person



In 2010 We paid an average of \$ 34,000 per prison inmate or \$ 93.00 per day.

Source: 2010 LFC REport

Comparison of New Mexico's cost per day

GUZINTA

How Guzinta provides a DD waiver person:

24 hour care	Nursing	Therapy
Nutrition counseling	Day program	Transport
Behavioral counseling	Employment	And more.

For \$ 27.00 per day.

When we put up	\$ 2
The Feds put up	\$ 8
Total is	\$ 10

When we spend the \$ 10 on services. Half the providers (for profit providers pay gross receipts tax @ 7%) Half of 7% is 3.5 %.
So we get 35 cents back on our \$2.00.

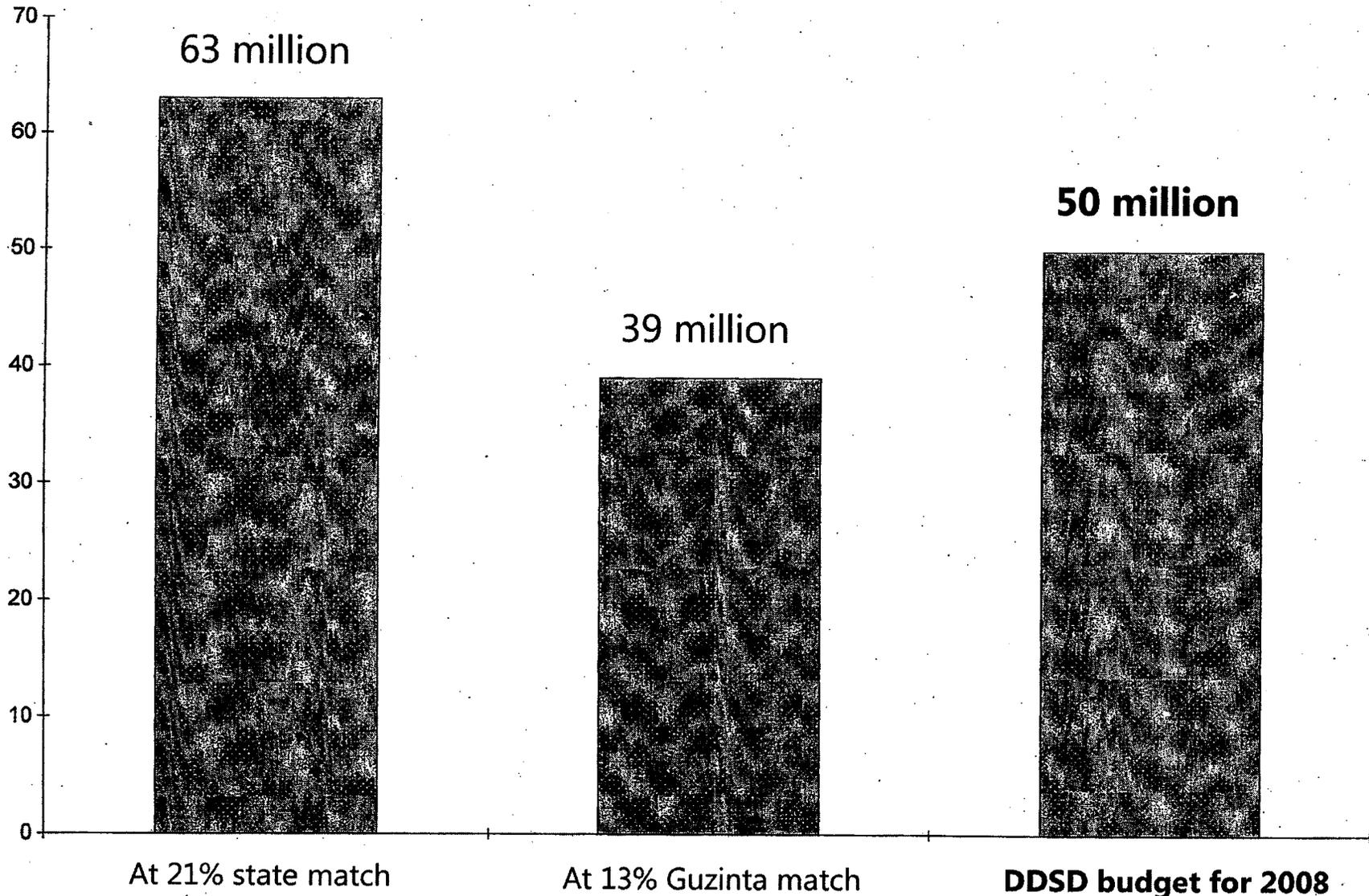
All of the providers pay people. 90% of waiver money goes to people. They spend it and pay tax on everything they spend
Except food, medicine and internet purchases.

At a minimum we get another 35 cents back on our \$ 2.00

So we put up \$ 1.30 and that goes into \$ 10.00 worth of service.

That's 13%. That is our real match rate. That's Guzinta.

Total NM Waiver Cost With and Without Guzinta



Source, 2010 LFC report

Total NM Waiver Cost at 4000 recipients at an average budget of \$ 75,000

So what about the waiting list?

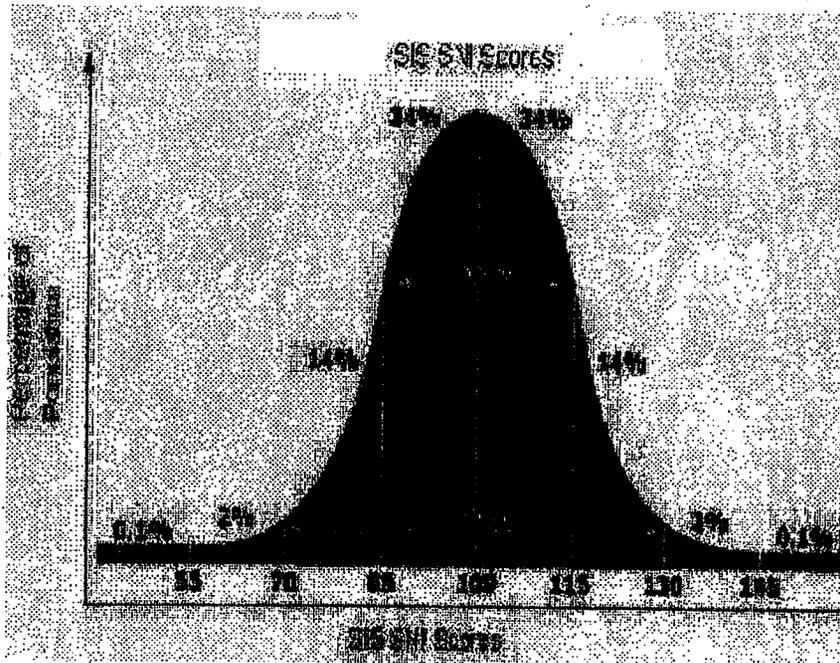
Right now on the waiver we are serving more of the higher needs people than average.

If we take more people off the waiting list and put them on the waiver the average cost will go down because they have lower needs than average.

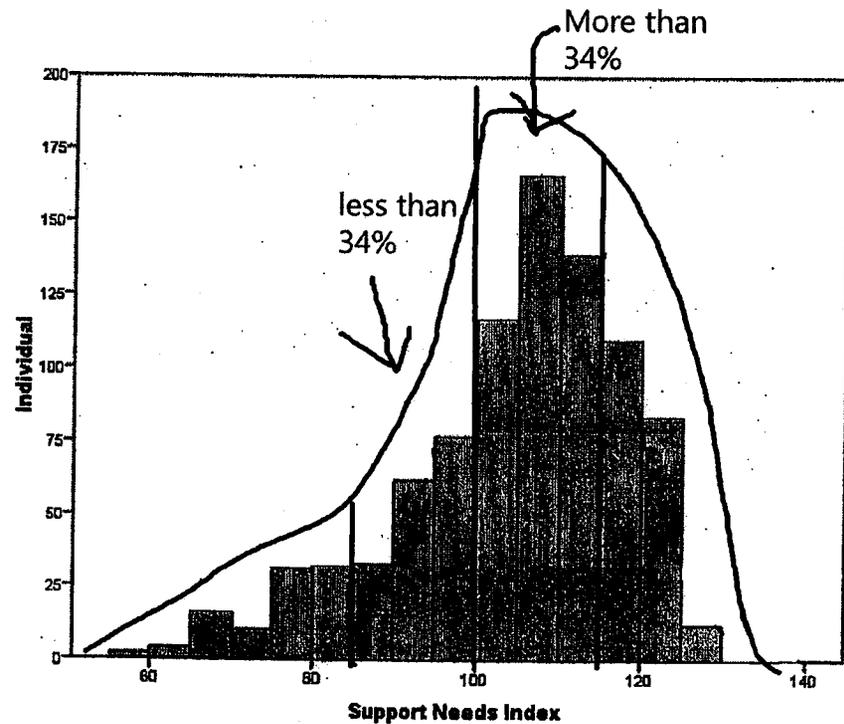
The SIS results show that .

New Mexico SIS Results

- The results in NM are ~~“bell shaped”~~ Skewed to the right



SIS Norm Group



New Mexico SIS Results

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The Reality

The Department spent about 6 million with AAIDD and HSRI (Burns) to fix an allocation system. The 6 million could have bought us 46 million dollars worth of services for our disabled.

And when they were done; 89% of the original budgets were okay or were going up.

The 11% they cut; meant either throwing people out of 24 hour care, slashing their therapy or cutting Family Living Subcare by 250 hours a year. Which they said would save us \$ 800K in 2014. Which with the regular 21% match is really \$ 168 K.

And the people we are paying over 50 million dollars a year to run the whole thing, don't see a problem with any of it because according to them our waiver costs are the 6th worst in the nation.