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FISCAL IMPACT REPORT

SPONSOR:	Miera	DATE TYPED:	02/10/00	HB	293
SHORT TITLE:	Annual COLA for DD Service Providers			SB	
				ANALYST:	Esquibel

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB2/HAFCS, SB2, SB97, SB251

SOURCES OF INFORMATION

NM Health Policy Commission

Human Services Department

Department of Health did not respond

SUMMARY

Synopsis of Bill

The bill amends the Developmental Disabilities (DD) Act of the Human Rights Code to require the Department of Health (DOH) to include in its annual budget request a cost-of-living adjustment request for service providers. If funds were appropriated, DOH would be required to increase payments to DD service providers according to the percentage amount approved by the Legislature each year.

FISCAL IMPLICATIONS

The Department of Health failed to provide a projection of the fiscal impact of this bill. However, the bill is unclear if the COLA would be directed to the direct care staff or the provider agency.

Also, DOH would be required in the provisions of the bill to use the HCFA market basket index inflation factor as opposed to the CPI inflation index. The HCFA inflation factor is currently 2.9%, the CPI inflation factor is currently 2.5%.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

The bill relates to the General Appropriation Acts (HB2/HAFCS, SB2) which contain base funding for the DD waiver; SB97 which provides for a Medicaid buy-in for DD individuals; and SB251 which provides funding for DD services and direct care staff compensation.

TECHNICAL ISSUES

The Health Policy Commission indicates that DOH contracts for most services with DD providers on a per unit cost, semi-capitated basis. SB293 specifies a COLA for these DD providers but does not require that any appropriated funds would have to be used to increase the wages of the direct care staff which has been cited as the limiting factor in the hiring and retention of quality direct care staff.

RAE/gm