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## FISCAL IMPACT REPORT

SPONSOR: Knauer DATE TYPED: 03/04/01 HB HM 3/aHCPAC  
 SHORT TITLE: Develop Elder Campus SB \_\_\_\_\_  
 ANALYST: Esquibel

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
NFI					

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB372 (1998), HJM4 (2000)  
 Duplicates SJM7

### SOURCES OF INFORMATION

LFC Files  
 State Agency on Aging (SAOA)

### SUMMARY

#### Synopsis of HCPAC Amendment

The House Consumer and Public Affairs Committee amendment to House Memorial 3 adds additional members of the education community to the elder campus partnership including UNM's Health Sciences Center, Medical School, School of Nursing, Department of Health and other state agencies involved in provision of long-term care services.

#### Synopsis of Original Bill

House Memorial 3 resolves SAOA lead and direct the development of an elder campus that embraces the concepts of community, health, neighborhood housing, education, wellness and research, involving experts from the public and private sector. Partners shall include, but not be limited to, the interagency committee on long-term care, Sandia national laboratories, members of the NM congressional delegation, and interested private housing and health organizations.

### FISCAL IMPLICATIONS

SAOA would require funding to implement and administer the provisions of the memorial. Also, elder campus would require funding to operate.

**RELATIONSHIP**

- HB372–1998 Legislature enacted the Long-Term Care Services Act which created an interagency committee to develop a coordinated long-term care system to eventually be part of the state’s managed care program.
- HJM4–2000 Legislature enacted a memorial requesting the Executive to implement the intent and provisions of the Long-Term Care Services Act and report to the LFC regarding progress pursuant to the Act.

**OTHER SUBSTANTIVE ISSUES**

- DOH is undertaking efforts to improve the quality of care in licensed and certified health facilities including greater monitoring and assessment, and minimum staffing ratios.
- DOH is concerned about recruitment and retention of qualified personnel for nursing homes and is addressing best practices for human resource management in facilities.
- Two nursing home chains in New Mexico (IHS and Sun Health) have been affected by bankruptcy recently, so DOH has put in place contingency contracts in case further beds are lost.
- DOH has instituted new policies to ensure greater complaint resolution.
- DOH is more closely monitoring levels of care in adult residential care facilities recognizing their, and home health agencies, importance as less costly alternatives to nursing home care.

**Quality of Long-Term Care in New Mexico**

- The state long-term care ombudsman program at the State Agency on Aging is responsible for advocating for the rights of residents of long-term care facilities through complaint resolution, training and education, and systemic change to improve quality of life of the residents and to protect the health, safety and welfare of the residents.
- The ombudsman functions at other state agencies including DOH, HSD, CYFD, PRC and the AG’s office need to be more aligned and collaborative.
- In 1999, the LFC requested DOH provide a comprehensive evaluation of the program of all-inclusive care of the elderly (PACE) addressing the feasibility of duplicating this program elsewhere in the state. The PACE program provides community-based services including a complete package of acute and long-term care services, through an arrangement of partially capitated and fee-for service reimbursement.

**Inter-Agency Collaboration and Initiatives to Improve Long-Term Care**

- The interagency long-term committee includes representatives from State Agency on Aging, DOH, Human Services Department, Children, Youth and Families Department, Governor’s Committee on Concerns of the Handicapped, Developmental Disabilities Planning Council, and Public Regulation Commission.

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- Funding initiatives that the interagency committee is considering include
  - long-term care insurance;
  - tax credits for providers;
  - standardizing policies across state agencies;
  - new regulatory schemes that would allow people with pre-existing medical conditions to qualify for health insurance;
  - state-sponsored long-term care where the state would pay for part of insurance premiums;
  - and
  - incentives for employers to pay for part of insurance premiums.
- The interagency committee is also considering options to address the labor shortage in the long-term care industry including
  - wage supports (based on California model);
  - university career tracks funded by the state; and
  - monthly or lump sum payments to individuals requiring care who could then use these funds to pay family members or other caregivers (based on Arkansas model).
- Medicare
  - In response to the 2000 Legislature’s HJM14, an interagency group convened by the LFC is considering several recommendations including supporting several bills being sponsored by the NM congressional delegation ranging from geographic equity;
  - changing calculations of reimbursement rates and increasing the rates;
  - supporting coverage of pharmaceuticals;
  - supporting the prospective payment system to assist home health providers;
  - expanding the qualified Medicare beneficiaries (QMB) program in NM to provide assistance to individuals whose income is up to 150% of poverty; and
  - providing incentives for HMOs to provide services in rural areas.

### POSSIBLE QUESTIONS

1. Please describe the work the interagency committee has done thus far, and what the committee has recommended thus far? Do you have any early estimates on the costs of these recommendations?
2. Has interagency collaboration improved under the auspices of the interagency committee?
3. Has either the interagency committee or DOH considered any remedies to the Medicare problems in NM?
4. What efforts has DOH’s Division of Health Improvement undertaken to improve the quality of long-term care in NM while trying to assist private or non-profit providers from leaving the state? How is DOH positioned to provide a safety net should more providers become bankrupt or leave the state?
5. Is the state long-term care ombudsman program working collaboratively and effectively with other state agencies?
6. Has DOH considered expanding the PACE program? How much would this cost?