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FISCAL IMPACT REPORT

SPONSOR: Carraro DATE TYPED: 3/4/03 HB _____

SHORT TITLE: Developmental Disabilities Services SB 384

ANALYST: Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$22,000.0		See Narrative	Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

Relates to: HM4; SM16; HJM10; SB300; HB309 ;SB361

Relates to Appropriation in the General Appropriation Act

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$64,477.9		Recurring	GF

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From
 Department of Health (DOH)
 Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

Senate Bill 384 appropriates \$22,000,000 from the general fund to the Department of Health for FY04 to provide services to eligible un-served persons with developmental disabilities.

Significant Issues

The Long Term Services (LTSD) data indicates that approximately 2800 persons are waiting for service on the Developmental Disabilities (DD) Waiver Central Registry. This funding could serve approximately 1441 of those individuals.

The current wait for services under the DD Waiver is 48 months on average.

FISCAL IMPLICATIONS

The appropriation of \$22,000.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 04 shall revert to the general fund.

The amount recommended could be matched with federal funds at a rate of 74.56%, which would equal \$64,477,987.

ADMINISTRATIVE IMPLICATIONS

The Division of Health Improvement (DHI), Incident Management Bureau estimates it would require an additional 11 FTE to maintain current caseloads for investigators and the intake unit. The Division of Health Improvement/Quality Management Bureau estimates it would require an addition of 7 FTE to handle a larger sample size for its current provider program audits and to address a possible increase in the number of providers. The Long Term Services Division would need 9 additional staff (especially in the Eligibility Unit) to ensure timely admission to the DD Waiver Program, provide monitoring of individuals services and to provide training and technical assistance to community providers.

Ongoing activities conducted by the Department of Health, such as monitoring of Individual Services Plans (ISPs), training and technical assistance would need to be increased to support safe and appropriate service delivery to new and existing individuals on the DD Waiver.

The FTE's would help reduce the exposure to the Department with respect to the Lewis lawsuit and other lawsuits brought with regard to federal Medicaid management standards.

RELATIONSHIP

SB 361 appropriates \$15,000,000 to provide DD waiver services to persons from the Central Registry.

HB309 would appropriate \$1,610,000 to provide DD Waiver services to persons from the Registry wait list.

HM4, SM16 and HJM10, which all express recognition and appreciation for Direct Care Staff who provide Developmental Disability Community-Based Services.

SB300 – Developmental Disabilities Program Equity – makes an appropriation of \$3,163,200 to provide cost of living Increases to providers and to address rate equity between the State Developmental Disabilities Programs funded with Waiver Funds versus General Funds.

HB309 – Medicaid Developmental Disabilities Waiver – makes an appropriation of \$3,264,656 to provide cost-of-living increases to providers and to reduce the waiting list for the Medicaid Developmental Disabilities Waiver program.

SB361 – Reduce Developmental Disabilities Wait List – makes an appropriation of \$15 million to reduce the waiting list for New Mexico’s Medicaid Developmental Disabilities Waiver program.

OTHER SUBSTANTIVE ISSUES

DOH reports that historically the capacity of the state’s provider system (case management and direct service providers) to grow in response to new funding/individuals in the system has been between 200-400 persons per year. Action to support the proposed level of growth in the system will need to be implemented beginning in FY03 and continuing as service demand increases in FY04. Without aggressive recruitment and training initiatives the health and safety of individuals in the DD Waiver system could be compromised. SB 384 does not include any appropriation to support system development activities. Unused funds, resulting from limited provider capacity cannot be redirected for other uses and will revert.

BD/lr:yr