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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 1/24/18  
**SPONSOR** Garcia, M **LAST UPDATED** \_\_\_\_\_ **HB** 107

**SHORT TITLE** Medicaid DD Waiver Supports & Services **SB** \_\_\_\_\_

**ANALYST** Chenier

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$25,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		
	\$65,122.6	\$65,122.6	Recurring	Federal Medicaid Matching Revenue

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to an Appropriation in the General Appropriations Act

#### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)

Human Services Department (HSD)

#### SUMMARY

##### Synopsis of Bill

House Bill 107 appropriates \$25 million from the general fund to the Department of Health to fund direct care supports and services to recipients of Medicaid developmental disabilities waiver supports and services and to provide for the allocation or enrollment into Medicaid Developmental disabilities waiver supports and services of additional eligible individuals awaiting allocation on the Department of Health's central registry.

## **FISCAL IMPLICATIONS**

The appropriation of \$25 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY19 shall revert to the general fund.

HSD stated that they would request federal matching dollars for this appropriation (approximately \$65,122,566.69 at the 72.26 percent federal matching rate). Based on the FY17 average annual cost per recipient, a \$25 million appropriation and a federal match of 72.2 percent would serve approximately 1,303 individuals from the Central Registry.

## **SIGNIFICANT ISSUES**

DOH provided the following:

Steps to allocate individuals on the DD Waiver include medical and financial eligibility determination, assessment of support needs, interviewing and selecting preferred providers, prior authorization for services chosen, and beginning service delivery. The timeframe ranges from 60-180 days, or in rare cases even longer. Timeframes depend on individual financial and medical records status, competing scheduling issues for individuals and their families, and provider recruitment and expansion of physical space, in some cases, to accommodate additional individuals. DOH refers to this as the “ramp up” effect.

If the entire appropriation is used to enroll eligible individuals from the Central Registry, approximately 1,303 individuals could be served by the program based on FY17 average annual cost per recipient. The provider system would need to grow significantly before 1,303 individuals could be served by the program. The program has never had an allocation of more than 500 individuals in a single year and some provider agencies had trouble adjusting to that growth rate.

New Mexico, like much of the nation, has had a shortage of qualified personnel. Even with the current size of the program, recruitment and retention of qualified personnel is a significant and ongoing challenge for provider agencies and for individuals who hire their own support personnel through the Mi Via DD Waiver.

## **PERFORMANCE IMPLICATIONS**

DOH stated that one of the Developmental Disabilities Supports Division’s (DDSD) key performance indicators is the number of DDW participants, expected to grow larger over time as permitted by legislative appropriations and cost efficiencies. The program has grown from 3,838 participants in FY10 to 4,608 in FY18, with the largest increase of 379 participants occurring between FY13 and FY14 as a result of a \$4.6 million-dollar appropriation.

EC/al