F I S C A L I M P A C T R E P O R T

SPONSOR Ortiz y Pino **ORIGINAL DATE** 2/14/19 **LAST UPDATED** 2/20/19 **HB**

SHORT TITLE Medicaid Home Visiting Services and Council **SB** 290/aSPAC

ANALYST Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HV program		$56,670.0	$99,172.0	$155,842.0	Recurring	General Fund
HV program		$150,155.0	$262,770.0	$412,925.0	Recurring	Federal Medicaid Matching Funds
HSD admin		$68.0	$135.0	$203.0	Recurring	General Fund
HSD admin		$68.0	$135.0	$203.0	Recurring	Federal Medicaid Matching Funds
Total		$206,961.0	$362,212.0	$569,173.0	Recurring	General Fund/Federal Funds

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act for Medicaid program.

SOURCES OF INFORMATION
LFC Files

Responses Received From
Children, Youth and Families Department (CYFD)
Department of Health (DOH)
Human Services Department (HSD)
Indian Affairs Department (IAD)
University of New Mexico Health Sciences Center (UNMHSC)

SUMMARY

Synopsis of SPAC Amendments

The Senate Public Affairs Committee amendments to Senate Bill 290 remove “Medicaid” from

the name of the home-visiting services and from the Home Visiting Advisory Council referenced in the bill.

The amendments require that HSD provide home-visiting services to all eligible Medicaid recipients by January 1, 2021, subject to funding availability. This requirement changed from HSD providing home-visiting services to all eligible Medicaid recipients beginning January 1, 2020.

The SPAC amendments require that HSD, in consultation with New Mexico tribal governments, providers of home-visiting services, and one or more experts in home visiting, complete and submit an outcomes measurement plan by December 1, 2020, changed from December 1, 2019.

The amendments change the date for the establishment of a "home visiting advisory council" from July 1, 2019, to July 1, 2020.

The SPAC amendments add, in addition to home-visiting services following research-based protocols, that they also follow evidence-based protocols.

Synopsis of Original Bill

Senate Bill 290 would require the Human Services Department (HSD) to establish a Medicaid Home Visiting Advisory Council beginning July 1, 2019. The composition of the council would include the secretaries of HSD, CYFD, DOH and at least five home visiting services providers, at least one tribal home visiting expert, and at least one community-based advocacy group member.

SB290 would require Medicaid coverage of home visiting (HV) services to eligible recipients beginning January 1, 2020. The bill would also require HSD to work with HV service providers to execute provider participation agreements so that providers could furnish HV services under both Medicaid managed care and fee-for-service (FFS).

The bill would require HSD to ensure that HV services are aligned with HV standards, do not duplicate service provision or reimbursement, and maximize federal funding.

SB290 would require HSD, in consultation with tribal governments, providers of HV services and one or more HV experts, to jointly develop an outcomes measurement plan and indicators based on HV standards, and to complete and submit the outcomes measurement plan by December 1, 2019, to the Legislature, Governor, Medicaid HV Advisory Council, and all tribal governors. The council would be charged with evaluating the outcomes; developing a community plan that includes outreach strategies to families prenatally or at birth; and developing a plan that includes strategies to ensure that children and families at the highest risk are targeted and receive appropriate services.

The bill would require HSD to submit an annual outcomes report to the Legislature and Governor beginning July 1, 2020, and annually thereafter. The report would include achieved outcomes; data on costs and the number, demographics and location of families served; recommendations for outcome and quality improvements; and recommendations to ensure adequate reimbursement of HV providers and maximizing federal Medicaid matching funds.

FISCAL IMPLICATIONS

HSD notes SB290/aSPAC does not include an appropriation for implementation of the expanded HV program, but states that "consistent with federal law and subject to the appropriation and availability of state and federal funds, the secretary shall provide home visiting services to Medicaid recipients."

HSD, in partnership with CYFD, is currently implementing a Centennial Home Visiting (CHV) Pilot Program. The current Medicaid reimbursement rate for the Nurse Family Partnership (NFP) CHV evidence-based model is $314.94 per visit for up to 64 total visits (occurring over a three-year span) per family; and the rate for the Parents as Teachers (PAT) model is $244.02 per visit for up to 98 visits (occurring over a six-year span) per family. At these reimbursement rates, HV programs can cost the state and federal governments up to $20,156.16 total per family (NFP model) or $23,913.96 per family (PAT model). Under the CHV Pilot Program which started on January 1, 2019, HSD will cover up to 300 pregnant Medicaid managed care members and their children who reside in one of four HSD-designated counties.

HSD reports according to CYFD's New Mexico Home Visiting Annual Outcomes Report for FY17, CYFD funded various HV programs other than NFP and PAT, serving 4,587 families. Since SB290 does not specify the number of families that would be covered using Medicaid to finance the HV programs, HSD estimates 5,211 as the number of pregnant women and 95,000 as the number of Medicaid-eligible children ages 0-5 to represent the total number of potentially eligible members for HV services. Based on this data, HSD estimates the fiscal impact to general fund would be approximately $207 million in FY20 and $362 million in FY21 based on the following assumptions:

1. NFP families are visited 21 times per year at a cost of $6,718 per year.
2. PAT families are visited 16 times per year at a cost of $3,985 per year.
3. 50 percent of eligible families will participate in FY20 and 75 percent of eligible families will participate in FY21.
4. Eligible families will participate in all visits.

HSD notes that existing programs such as the HV program operated by CYFD use contractors to provide HV services. If the expanded HV services are provided for both Medicaid FFS beneficiaries and managed care members through contractors, there would be significant staff requirements to award and monitor contracts. This would require a substantial amount of time from MAD staff to provide administrative oversight of the contracts, for which no funding is appropriated. Based on current CYFD staffing levels, HSD would need five additional FTE to administer the program for a total full year cost in FY21 of $270,000 matched at 50 percent with federal funds.

SIGNIFICANT ISSUES

UNMHSC indicates SB290/aSPAC promotes blended funding across multiple sources to support the home visiting system. The SPAC amendments establishing a home visiting advisory council that is focused beyond just Medicaid and includes current collaborative efforts across state agencies and stakeholders.

HSD has collaborated with CYFD to implement the CHV Pilot Program, which launched on January 1, 2019, and was approved by the federal Centers for Medicare and Medicaid Services

(CMS). The CHV Pilot Program will test the delivery of two federally-recognized, evidence-based HV programs, the Nurse Family Partnership (NFP) and the Parents as Teachers (PAT) models, in up to four New Mexico counties.

Given the shortage of nurses in New Mexico, provider capacity is a significant concern of expanding HV as outlined in SB290. The NFP model requires a RN (Nursing Bachelor of Science) for provision of services, and the PAT model does not have the same requirement. Under the currently approved CHV Pilot Program, the Medicaid MCOs have been directed to contract with CYFD-designated agencies that provide either one or both programs. As of January 2019, there is only one agency in New Mexico (the UNM Center for Development and Disability, or UNMCDD) that is CYFD-designated to deliver NFP services in Bernalillo County only, and two agencies (UNMCDD and ENMRSH, Inc.) that are CYFD-designated to provide PAT services in Bernalillo, Curry, and Roosevelt counties.

SB290 expands the service array that is currently approved under HSD's 1115 Centennial Care Waiver. Expanding these services would require a Medicaid waiver amendment, in addition to regulatory and actuarial work associated with the new requirements. Expanding the CHV program statewide may not be achievable by January 1, 2020.

SB290 requires HSD to ensure that HV services are not duplicated. The following lists three major programs that provide HV services to pregnant women, infants, and young children in NM:

- Statewide HV services administered under the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program are currently provided by CYFD to approximately 4,587 families.
- The Family Infant Toddler (FIT) program is administered by the Department of Health (DOH) and serves children from birth to age 3 who have or are at risk for developmental delays or disabilities. Under the provisions of the bill, HSD would have to ensure that duplication of services would not occur with early intervention services, which do currently include some HV services.
- The Families FIRST Program, administered by DOH and funded by Medicaid, provides perinatal case management services for eligible pregnant women and children birth to age 3. These case management services include an assessment of the client's medical/psychosocial strengths and risk factors; care plans that link clients with resources to address identified needs; health education related to pregnancy, birth, newborn care, and child development; monitoring and follow-up to ensure clients receive recommended services; reassessment; and may also include home visits which would not comply with the provisions of the bill as they might be duplicative.

CYFD indicates as required by Section 32A-23B-3, NMSA 1978, the Home Visiting Accountability Act, the New Mexico Home Visiting Program is currently administered under CYFD's Early Childhood Services Division, which utilizes state general funds and federal funds to manage an aligned statewide system of home visiting services to children prenatal to age three (five with Medicaid and HRSA-MIECHV funds) and their families. CYFD is currently part of a collaborative of home visiting providers that includes community provider agencies and tribal governments that don't receive state or federal home visiting funding through CYFD, in order to have a unified home visiting system in New Mexico.

PERFORMANCE IMPLICATIONS

The Home Visiting Accountability Act currently requires CYFD produce an annual outcomes report to the Governor, Legislature and the Early Learning Advisory Council. That Act describes details of the report's contents and requires two or more outcomes from a list of nine outcomes, which are similar to the 11 outcomes described in the SB290. In 2019, HSD plans to include the outcomes of the CHV Program in CYFD's Home Visiting Annual Outcome Report. If enacted, SB290 would create another system of reporting requirements, some of which duplicate those currently in place.

If enacted, SB290 would require that HSD include the following in its Strategic Plan: (1) monitor the growth rate of the additional costs associated with HV services; (2) monitor and measure utilization and health outcomes for the population receiving these services and; (3) ensure providers contracted with Medicaid managed care and FFS provide services statewide to reduce service gaps and health disparities.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

DOH notes SB290 appears to create a separate home visiting system at HSD, and this would spread home visiting over 2-3 different state agencies at a time when we are trying to align early childhood services in New Mexico. It could lead to confusion on the part of home visiting agencies, as it would likely be the same community providers applying to provide Medicaid home visiting who are already providing CYFD home visiting services. It is important to distinguish Medicaid as a payment source for, rather than an administrator of, the home visiting program.

TECHNICAL ISSUES

HSD notes SB290 does not identify data information sharing responsibilities.

CYFD notes SB290 directs the Medical Assistance Division to work with existing home visiting providers and establish agreement in this process, but the bill does not overtly identify CYFD's Early Childhood Services Division as a partner in this process.

HSD notes Section 1 defines 11 outcome measures, some of which are not typically covered by Medicaid and are not included in the CHV Pilot Program's description of services. For example, Medicaid does not reimburse for job counseling, parent education, or coaching activities.

IAD notes on page 4, line 2, the bill references "New Mexico tribal governors." However, there are 23 federally recognized nations, tribes and pueblos (NTP) in New Mexico. Not all tribes have governors as leaders of the tribe. In general, the 19 Pueblos of New Mexico have governors, the Navajo Nation, Jicarilla Apache Nation and Mescalero Apache Tribe have presidents.

DOH notes the Families FIRST program is a Medicaid-reimbursed case management program that might fall in the home visiting category, depending on the definition of home visiting. It is important to ensure that current DOH programs such as Families FIRST and the Family Infant Toddler (FIT) program, both of which receive Medicaid funding, will not be negatively impacted by Medicaid funding for Home Visiting under the provisions of SB290, particularly if Medicaid is being asked to administer a new home visiting program rather than simply fund the existing

home visiting system administered through CYFD. In addition, SB290 makes no appropriation for the state match to leverage federal funds.

CYFD notes while the bill explicitly identifies early, periodic, screening, diagnostics and treatment (EPSDT) as a service, it is important to note that all Medicaid eligible children are already required to an EPSDT screen which is billed to Medicaid. Additionally, EPSDT includes many services that are not available in all New Mexico communities as there is not a sufficient health care network statewide to provide this level of services.

CYFD notes the bill's requirement that the advisory council shall develop a plan to include strategies to reach families at the highest risk to receive appropriate services may impact CYFD BHS's Infant Mental Health (IMH) program, since IMH is considered to be "at the highest risk to be at risk of serious emotional disturbance."

CYFD notes SB290 would create a separate home visiting system at the Human Services Department's Medical Assistance Division (HSD-MAD) at a time when New Mexico is working diligently to align early childhood services in New Mexico.

CYFD notes the bill does not require that HSD-MAD funded home visiting providers be accountable to the same standards and performance measures as required in the already existing Home-Visiting Accountability Act, which could lead to further fragmentation of the system. The different set of standards required of home visiting provider agencies, which are most likely the same community providers already providing CYFD home visiting, could lead to confusion and possible non-compliance issues.

The state has developed an Early Childhood Integrated Data System (ECIDS) that assigns a 'unique id' to all children birth to age five that receive early childhood services in New Mexico and has a 'data warehouse' with data going back five years. ECIDS includes data from home visiting, PreK, Child Care, FIT, preschool special education, and will be expanded to include Head Start and tribal data. This bill does not include Medicaid home visiting data being extracted on a regular basis to ECIDS, which would lead to further fragmentation of the home visiting and early learning system.

UNMHSC strongly recommend aligning state requirements across state agencies and funding sources to avoid undue administrative burden on agencies implementing home visiting services.

OTHER SUBSTANTIVE ISSUES

In FY18, 4,615 families received home visiting representing approximately 8 percent of the estimated 75,820 children birth to three statewide. CYFD has oversight for the majority of state and federally-funded home visiting services across the state of New Mexico. The current home visiting program through CYFD does not access Medicaid funding. Funding for the CYFD statewide home visiting program includes both general funds and funds through the federal Maternal, Infant, and Early Childhood Home Visiting (MIECVH) program administered by the U.S. Department of Health and Human Services. The legislation for the current CYFD home visiting system, the Home Visiting Accountability Act, was passed in 2013 and the already established New Mexico Home Visiting Standards describe the scope of work for home visiting services.

SB290 does not include two Department of Health (DOH) programs that relate to home visiting and receive Medicaid funding: Family Infant Toddler (FIT) and Families FIRST. It would be important to ensure that these programs are not put at risk because of Medicaid funding for home visiting. Families FIRST is a case management program of the NMDOH Public Health Division, funded by Medicaid to provide perinatal case management to Medicaid eligible pregnant women and children 0-3 years old. The purpose of perinatal case management services is to provide a voluntary home visit to eligible clients, to establish a medical home, and to assist clients in gaining access to medical, social, and educational services that are necessary to foster positive pregnancy outcomes and promote healthy infants and children in New Mexico. The FIT program provides early intervention that generally occurs in the family home.

UNMHSC indicates as part of the current Medicaid home visiting pilot, concerns have been raised that fiscal solvency of home visiting programs using only a fee for service model will be difficult to sustain, particularly for NFP, which, due to rising salaries in the field of nursing is more expensive to implement. Discussions between HSD and CYFD have confirmed that a "blended" funding model including a combination of Medicaid fee-for-service and contract-based funding currently with CYFD is the best model for sustainability of home visiting services and allows agencies the capacity to serve Medicaid-eligible families regardless of changes in their Medicaid-eligibility status.

UNMHCS notes the above per visit rates have been agreed upon for the initial stages of the Medicaid HV pilot and will be renegotiated over time. If the pilot is successful, next steps will be to increase the number of home visitors to full implementation as possible statewide and essentially bringing the programs to scale. It is only when a program is at full scale (NFP = 8 RN Home visitors and an RN Manager; PAT = 12 Home visitors (with leads identified) and a program manager) do costs per family begin to match those published by both programs for national averages. In essence, non-full scale programs are more expensive to operate and per family costs are higher. Given the rural nature of our state and low population density in many areas, many programs will never get to a full scale implementation. Many home visiting programs are not currently implementing evidence-based curricula whereas the current Medicaid pilot requires the use of an evidence-based curricula.

Currently home visiting services are offered to any family referred until available openings are filled. The notion that this openness helps to reduce stigma by not directly "targeting" high risk families makes the program more welcoming and has been identified as one reason for not directly targeting the highest risk families in New Mexico. However, CYFD has implemented Level II home visiting services targeting higher risk families, so this approach has been shifting over time. If Medicaid funded home visiting were to target the state's highest risk families, access to mental health care, infant and early childhood mental health services, medical services, substance abuse treatment and other often hard to find services for families would need to be available. Currently, home visiting is essentially a prevention level service, and an ongoing strain on current home visitors is the lack of resources for families/parents who have high needs and are beyond the scope of home visiting curricula.

ALTERNATIVES

HSD recommends continuing to monitor the CHV Pilot Program to determine the effectiveness, outcomes, and workforce issues associated with HV services before expanding such services statewide. Since the CHV Pilot Program only recently launched, there is no data available to

demonstrate the sustainability of these services over the long-term. Further, work is also needed to ensure the availability of a provider network across the state.

There are up to 20 models of evidence-based home visiting that are used across the country including the Safe Cares and Family Connects models. The Nurse Family Partnership (NFP) and Parents as Teachers (PAT) models currently piloted by CYFD and HSD's Medicaid program are just two examples, and other models can also be effective in rural areas, promote positive outcomes, and use diverse staffing while being cost-effective. CYFD could also expand implementation of its home visiting contract services model to an in-house home visiting program funded in collaboration with Medicaid.

RAE/sb