REGULATORY IMPACT FORM

SECTION I: GENERAL INFORMATION

Agency: HSD/ Medical Assistance Division
Enactment Date: 01/01/2020

Short Title and Legal Citation: 8.320.2 EPSDT PERSONAL CARE SERVICES
Last Updated: 01/01/2014

SECTION II: FISCAL IMPACT

REVENUE (dollars in thousands)

<table>
<thead>
<tr>
<th>Estimated Revenue</th>
<th>Recurring or Nonrecurring</th>
<th>Fund Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>FY20</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td>FY21</td>
<td>0</td>
<td>NA</td>
</tr>
</tbody>
</table>

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>3 Year Total Cost</th>
<th>Recurring or Nonrecurring</th>
<th>Fund Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>25.5</td>
<td>51</td>
<td>51</td>
<td>127.5</td>
<td>recurring</td>
<td>General</td>
</tr>
</tbody>
</table>

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: EXPLANATION

BACKGROUND:

1) Provide a brief summary of the proposed rule’s intended purposes, goals, and the specific problem(s) that it addresses:

The proposed rule change is intended to align New Mexico Centennial Care with the Cures Act requirements. States are required to implement an Electronic Visit Verification (EVV) system by January 1, 2020 (for Personal Care Services (PCS)). Any state that fails to do so is subject to incremental reductions in FMAP up to 1 percent.

2) How does this rule advance the agency’s mission?

This rule will demonstrate New Mexico Centennial Care’s mission to ensure the delivery of quality services.
ALTERNATIVE APPROACHES:

1) What non-regulatory alternatives were considered?
Non-regulatory alternatives that have been considered included Managed Care Organization (MCO) contracts, MAD Letter of Directios, MAD Managed Care Policy Manual, and MAD NMAC Supplements.

2) Briefly explain the costs and benefits of each alternative that were considered:
All alternatives are dependent and/or provide implementation details for regulatory requirements.

3) How is this rule the best solution to the identified problem?
The Cures Act is a regulatory requirement in nature therefore inclusion in NMAC rule is the best solution. All other alternative approaches are dependent and/or provide implementation details for regulatory requirements. Furthermore, including this requirement clearly communicates to all stakeholders that they implement and adhere to the EVV requirements of the Cures Act and that it applies to EPSDT PCS.

IMPACTS:

1) How will this rule increase or decrease the costs for businesses within the affected industry?
Inclusion of EVV requirements will include a requirement for providers to ensure EVV training for Personal Care Attendant prior to placement. This training is estimated to be a one time 30 minute training session.

2) How will this rule increase or decrease the prices of goods and services for consumers?
This rule has no financial impact to Centennial Care members.

3) How will this rule promote economic competition and growth in the state?
This rule has no impact to economic competition or growth in the state.

4) How will this rule impact public health and safety?
This rule would ensure the delivery of personal care services to youth in need across New Mexico.

5) What would be the consequences of not adopting this rule?
State are required to demonstrate full implementation EVV for personal care services by January 1, 2020, or otherwise be subject to FMAP reductions up to 1 percent. Not adopting this rule would risk the demonstration of the full implementation.

MEASURES OF SUCCESS:

1) What quantitative indicators will the agency use to measure effectiveness?
HSD Medical Assistance Division implements Report 35 EVV Utilization Report. This report monitors indicators of unique members, authorized hours, hours delivered, hours paid, false reporting, means of EVV reporting (tablet, web, mobile, or exception) and types of exceptions.

2) Describe how the agency will use the indicators listed above to monitor progress over time:
Continued on next page
MEASURES OF SUCCESS:
continued
2) Describe how the agency will use the indicators listed above to monitor progress over time:

HSD/Medical Assistance Division will review and monitor on an ongoing quarterly basis. Any concerns are addressed directly with the Managed Care Organization to quickly resolve situations for which members are not receiving services.