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For Immediate Release

**Cost Saving and Improvement Recommendations for the Fastest
Growing Medicaid Service in New Mexico –Personal Care Option- are Sent
to Human Services Secretary Pamela Hyde**

Santa Fe, July 16, 2003 - Human Services Department (HSD) Secretary Pamela Hyde will be making some important decisions for the future of the Personal Care Option (PCO) based on the recommendations from a committee appointed by the Secretary.

The PCO Committee has reviewed and recommended several cost-saving and quality measures to the service that provides in-home care to more than seven-thousand New Mexico individuals with disabilities and the elderly. The goal is to save money and increase quality without limiting eligibility. Last fiscal year costs for this service reached \$150 million, when the original projection was \$10 million by FY04.

One of the recommendations that could have the largest impact on cost savings and increase program quality for the service is the way patients are assessed. "No assessor shall expect financial gain from this service," said Patty Jennings, Chair of the PCO Committee. The Committee's recommendation is to establish an independent process, which would remove the responsibility of assessments from the providers. "Currently it is financially advantageous for providers to supply as many hours of care as possible to each consumer and justify those hours through the assessment process. While we are not implying this is common practice, creating an independent process would eliminate the abuse and assure all patients are assessed fairly and accurately," Jennings said.

Another potential cost saver could come from the reimbursement rates for the caregiver. For example, the state would cut the hourly rate from \$16.00 to \$11.00 after 100 to 120 hours. "This would not reduce the number of hours an individual could receive care; it would limit the hourly reimbursement to a defined number of hours, and could save millions of dollars each year," said Jennings.

The Committee also recommended establishment of standards for providers of PCO. Right now," said Jennings, "all a person needs to begin providing PCO is a business license. There needs to be basic

criteria assuring service recipients that providers have at least a minimum of knowledge and competence to provide the service and account for the funding provided.”

Secretary Hyde is now reviewing the Committee’s recommendations and is working with the Aging and Long-term Care Department to decide which to accept and when to begin implementation. “The PCO is a wonderful service that allows individuals with disabilities to remain in their communities, and it helps local economies,” Hyde said. “Changes that bring proper oversight and consistency in how the service is provided will help keep it in New Mexico.”

Hyde commended the Committee members for their hard work. The Committee consisted of PCO providers, service recipients, and advocates.

The PCO Committee’s Review and Recommendations report is available on the New Mexico Human Services Department website at www.state.nm.us/hsd