



NEW MEXICO HUMAN SERVICES DEPARTMENT
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

Bill Richardson
Governor

Pamela S. Hyde, J.D.
Secretary

For Immediate Release

*For further information contact Betina Gonzales McCracken
Communications Director 505-827-6245*

Human Services Department Secretary Announces More Cost Containment Measures for Medicaid Personal Care Option -- Quality of Care/Eligibility Continues

Santa Fe, March 29, 2004 – The Human Services Department (HSD) continues to roll out changes to the Personal Care Option (PCO), the state’s fastest growing Medicaid service. “These changes are part of making sure we are managing our programs correctly and improving the overall quality of care in the Medicaid program,” said HSD Secretary Pamela Hyde. Last summer, a commission made up of PCO consumers, providers, advocates and attorneys looked at ways to reduce the cost of the program and provided a list of recommendations to the department.

One of the commission’s PCO recommendations was a standardized “personal care assessment tool,” which will be implemented in April. “This assessment tool ensures that all consumers on the program are assessed properly and equally,” said HSD Medical Assistance Division Director, Carolyn Ingram. “Oversight regulations were not built into the original design of the program and many of the changes we are implementing now are aimed at fixing that problem,” she said.

Other PCO changes that will begin on July 1 include:

- Establishing a “third-party assessor process” to determine eligibility and unmet needs and determine the number of personal care hours to be provided to the consumer
- Creating “credentialing standards” for all PCO providers to ensure proper service delivery to consumers
- Changing the hourly reimbursement rate under the “consumer-delegated” model for on-going attendant services from \$15.00 to \$13.50 per hour for the first 100 hours each month
- Implementing revised PCO regulations that will increase oversight and assure quality of service for clients
- Issuing standardized timesheets for personal care attendants
- Requiring HSD approval for advertising by PCO providers

These changes are designed to establish oversight and controls in the program.

“We have taken every possible step to manage the program more effectively by finding positive solutions that will save this program and allow people to remain in their communities,” said Hyde.

(More)

Once these changes are implemented in July, PCO costs are expected to be reduced by \$3.5 million in state dollars. The program had been growing by 33 percent in FY 03.

The program will be turned over to the new Aging and Long-term Services Department (ALTSD) for administration as part of a larger reorganization that will provide the new department with more wide-ranging services to the growing aging population. HSD and ALTSD will be working together to conduct audits and oversight visits of PCO providers as part of the ALTSD's new functions and as part of HSD's increased efforts to assure billing accuracy.

The PCO program began in 1999 as a cost-savings measure to provide in-home care for Medicaid-eligible disabled adults by diverting them from more expensive nursing homes and allowing them to remain in their communities. The first year, 1,200 individuals were expected to participate in the program at a cost of \$2.6 million in state money. Today there are 9,000 participants in the program. In FY 03 the program grew to \$41.7 million. Without making changes to the program it would be expected to grow to \$50 million in FY 04. The care includes non-skilled supportive services, such as help with bathing and eating. Last year New Mexico's PCO participants averaged 116 hours per client, per month, while the national average was 70 to 80 hours per participant.

###