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**Department of Health Announces Changes to DD Waiver Program**  
*Cost Containment Measures Needed to Sustain the Current Program*

(Santa Fe) – Health Secretary Alfredo Vigil, MD, announced today that the New Mexico Department of Health will make changes to the Developmental Disabilities Waiver Program to help control costs and maintain quality services for clients. The DD Waiver Program is an optional Medicaid program that provides services to more than 4,000 people with developmental disabilities in New Mexico so they can live as independently as possible.

“These tough choices are absolutely necessary for us to maintain a strong and viable program,” Dr. Vigil said. “Our clients and people who support them will have to reprioritize how they spend their annual budget. We will help people make the necessary adjustments so we can minimize the impact of the changes. People will continue to receive the same quality of services.”

The Department of Health expects to save \$9 million a year and will work with clients and providers to roll out the following changes this month. All changes will be in effect by June 30. Changes are:

- A 2% cut to annual budgets for non-residential services, such as therapies, skill building and care during the day, and to provider rates for these services.
- Families or caregivers paid to provide services in their homes will receive up to 1,000 hours of relief from care giving, instead of up to 1,750 hours.
- Restructuring Family Living Services so providers get paid based on an individual’s needs instead of a set amount.
- Stricter criteria for approving extra services for people who have high-risk medical or behavioral needs.

The immediate changes are necessary because of rising costs to operate the program and the current economic crisis. The cost to operate the DD Waiver program has been increasing over the past few years. The average cost per client has increased from approximately \$67,000 in 2006 to a projected \$75,300 in 2011. The total cost each year for the DD Waiver program has increased from \$252 million in 2006 to a projected \$307 million in 2011.

Dr. Vigil said one reason for the increased cost is more people are receiving the most expensive level of care, but some do not need all of those services. The Department is working on long-term solutions to curb those costs and ensure people only get the services they need.

“While we are developing long-term solutions for the program, we have to take these cost saving steps now to protect the program and the people who rely on these services,” Dr. Vigil

said. “We are also working with providers to see how we can reduce the cost of doing business with the State, such as limiting the amount or frequency of required reporting.”

The Department expects to make long-term changes to the DD Waiver redesign in 2011. The Department is working with clients, people on the waiting list and providers in planning changes that will make the program operate more efficiently and continue to improve the quality of life for people who have developmental disabilities. Before making long-term changes, the Department will solicit input from the public, the Department’s stakeholder advisory councils and provider associations.

The Department already included these groups to craft the immediate changes. The cost savings the Department is implementing now will help maintain the program but will not allow the Department to take people off the waiting list.

“We would like nothing more than to provide care to all the New Mexicans who need it, but we must balance our desire to serve more individuals with fiscal realities,” Dr. Vigil said. “We will always look at ways to serve as many people as we can.”

The Department of Health assists clients on the waiting list to find and receive a variety of public support from several agencies while waiting for the DD Waiver. Services include special therapy for children who are eligible for Medicaid, special education classes and personal care services for Medicaid-eligible adults such as assistance with grooming, bathing and eating.

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