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## FISCAL IMPACT REPORT

**SPONSOR** Lord/Jaramillo/Vincent
**LAST UPDATED** \_\_\_\_\_  
**ORIGINAL DATE** 2/13/24  
**SHORT TITLE** Health Assistance for Children in Custody
**BILL NUMBER** House Bill 265  
**ANALYST** Esquibel

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HCA Medicaid		\$286.5		286.5	Nonrecurring	General Fund
HCA Medicaid		\$859.5		859.5	Nonrecurring	Federal Funds
<b>Total</b>		<b>\$1,146.0</b>		<b>\$1,146.0</b>		

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.  
 Choose an item.

### Sources of Information

LFC Files

Agency Analysis Received From  
Health Care Authority (HCA)

Agency Analysis was Solicited but Not Received From  
Children, Youth and Families Department (CYFD)

## SUMMARY

### Synopsis of House Bill 265

House Bill 265 (HB265) updates language to reflect the change from the Human Services Department to the Health Care Authority Department.

Additionally, Section 2 would amend the text from “former foster care recipients” to “former children in state custody and former foster care recipients.” Additional amended language replaces “cover individuals” with “provide medical assistance to persons” and adds “were formerly children in the custody of New Mexico or formerly.” The amended text in Section 2 requires the provision of Medicaid for “former children in state custody” up to age 26 rather than the current language of “former foster care recipients.”

Section 3 would add a new subpart C “when the secretary of Children, Youth and Families grants the release of a child, the department shall enroll the child in Medicaid and other public assistance programs the child is entitled to and shall provide the court with written certification of such enrollment.”

Section 4 Subsection F would add a new paragraph (4) when the department files a petition, it shall simultaneously provide “written certification of the child’s enrollment in state medical assistance programs or other public assistance programs that the child is entitled to.”

Section 5 Subsection B would add a new paragraph (13) the predisposition study shall contain “written certification of the child’s enrollment in state medical assistance programs and other public assistance programs that the child is entitled to.”

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

## **FISCAL IMPLICATIONS**

The Health Care Authority (HCA) reports if the HCA is responsible for issuance of the written certification of enrollment into Medicaid and public assistance programs, the estimated total cost is \$1.15 million for an IT system change to generate the required former foster care certification. At a 75 percent Medicaid match, the estimate is \$859,500 federal funds and \$286,500 from the general fund.

## **SIGNIFICANT ISSUES**

HCA reports Medicaid coverage for former foster care (FFC) individuals up to age 26 is a mandatory coverage group. If the addition of “former children in state custody” in Section 3 of HB265 is intended to cover individuals who are not FFC individuals up to age 26, then the HCA cannot claim Medicaid federal match unless eligible for another Medicaid category than the one for FFC individuals. The HCA considers “former children in state custody” to be individuals who were covered under children’s foster care Medicaid and no other Children, Youth and Families Department Medicaid categories. Per the Medicaid state plan, New Mexico covers FFC individuals up to age 26 who “were on Medicaid and in foster care when they turned age 18 or aged out of foster care.” Thus, Medicaid coverage cannot be provided for children who are no longer in state custody under the FFC category who are less than age 18. The Medicaid coverage would need to be under a different Medicaid category of eligibility than FFC. It is not clear what constitutes “written certification” in state medical assistance programs and other public assistance programs. If interpreted as the HCA eligibility system generated notices, then a new notice would need to be created for former foster care requiring an IT system change.

## **ADMINISTRATIVE IMPLICATIONS**

HCA reports there would be administrative implications if the HCA is required to provide written certification of the enrollment of children in state medical assistance programs and other public assistance programs. If providing the notification is the responsibility of HCA, then it would require a system change to generate a new notice for former foster care. There would be an additional administrative burden to provide “written certification” for state medical assistance

programs and other public assistance programs. Work for making the necessary system change in the Automated System Program and Eligibility System (ASPEN) could not start until after July 1, 2024, and is estimated to take six months to complete.

## TECHNICAL ISSUES

HCA reports the header of HB265 states “REQUIRING THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT TO PROVIDE WRITTEN CERTIFICATION OF THE ENROLLMENT OF CHILDREN IN ITS CUSTODY IN MEDICAL AND PUBLIC ASSISTANCE PROGRAMS.” The corresponding section 3 amended language states “when the Secretary of Children, Youth and Families grants the release of a child, the department shall enroll the child in state medical assistance programs and other public assistance programs that the child is entitled to and shall provide the court with written certification of such enrollment.” The “department” as defined in Section 1 of HB265 is the HCA. Section 3 language referencing the “department” reads that HCA will be providing written certification of the enrollment of children in its custody in medical and public assistance programs rather than the Children, Youth and Families Department. It is recommended in HB265 that it is clear which agency is responsible for providing written certification. There are several other references to the “department” in the act in which the context seems to reference Children, Youth and Families rather than HCA. For example, Section 5 states, “prior to holding a dispositional hearing, the court shall direct that a predisposition study and report be submitted in writing to the court by the department.” It is recommended that the language in HB265 be reviewed and that each instance of “department” versus “Children, Youth and Families” be clarified as to which agency is being referenced.

RAE/ss/ne/ss