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## FISCAL IMPACT REPORT

SPONSOR:     Martinez          DATE TYPED:   1/27/03        HB   103  

SHORT TITLE:   Prenatal Medical Services for Uninsured        SB           

ANALYST:   Wilson  

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$6,000.0	See Narrative		Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

#### Responses Received From

Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

House Bill 103 appropriates, \$6 million from the general fund to the Department of Health (DOH) to provide prenatal services to uninsured residents of New Mexico.

#### Significant Issues

DOH states that for the last 15 years, New Mexico has had the lowest rate of adequate prenatal care of any state. Uninsured poor women are frequently at higher risk for pregnancy health problems than insured women. The results of these women accessing prenatal care would be an improvement in New Mexico's rate of adequate prenatal care.

Prenatal care saves at least \$3 for every \$1 that is spent on it. Without prenatal care, sick newborn babies cost an average of \$50,000 for in-hospital care just after birth. These children are often in need of long-term care services because of chronic problems in areas such as learning disabilities, developmental delays, asthma, cerebral palsy, and lost productivity.

Approximately 6,500 pregnant women each year can have prenatal care covered by Medicaid and should not be served through the funding contained in HB 103. It is estimated 5,000 uninsured pregnant women who are ineligible for Medicaid each year could benefit from this funding. It is estimated that the funding continued in HB 103 could provide basic prenatal care for 4,000 of these women.

### **FISCAL IMPLICATIONS**

The appropriation of \$6000.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY2004 shall revert to the general fund.

An estimated 5,000 pregnant women in New Mexico have babies each year without any form of coverage (private insurance or Medicaid). The appropriation in HB 103 could provide coverage for 4,000 of these women annually. It is estimated that administrative costs might account for 1% of the allocation. HB 103 does not address associated recurring cost, but to be effective the appropriation must become an ongoing cost.

### **ADMINISTRATIVE IMPLICATIONS**

The DOH currently administers several small programs for uninsured pregnant women; however, an additional full-time equivalent would be needed to manage this funding. This employee would develop, maintain and monitor protocols, contact shareholders, monitor contracts and evaluate the program's effectiveness.

### **OTHER SUBSTANTIVE ISSUES**

Pregnancy is a time where all the physiologic systems in a woman's body are altered and are worked to maximum capacity. With the extra demand and stress to the body, pregnant women are prone to health problems that may affect the mother's and/or baby's health for a lifetime. Prenatal care is an effective way to identify problems and treat them to prevent harm. While receiving prenatal care, women learn ways to keep themselves and their babies healthy. Mothers, babies and whole families are affected and strengthened by prenatal care.

Prenatal care is usually included in a package with the delivery and aftercare costs, which are also important preventive services. This package costs a minimum of \$1,500, which is too much for many families to cover as out-of-pocket costs. Currently, the University of New Mexico Health Sciences Center, some primary care clinics and a limited number of physicians in private practice provide prenatal care to uninsured women receiving little or no reimbursement. As the provider of last resort, seven Public Health Offices provide prenatal care to uninsured women.

DW/njw