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## FISCAL IMPACT REPORT

SPONSOR: Papen DATE TYPED: 02/28/03 HB \_\_\_\_\_

SHORT TITLE: Medicaid Waiver for Mentally Ill SB SJM 32

ANALYST: Weber

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

Responses Received From  
 Human Services Department  
 Department of Health

### SUMMARY

#### Synopsis of Bill

Senate Joint Memorial 32 (SJM 32) requests the Human Services Department (HSD) to lead a task force to study the feasibility of a Medicaid Waiver for children and adults with mental illness. The task force should include representatives from the Department of Health (DOH), Children, Youth and Families Department (CYFD), agencies and professionals providing services to children and adults with serious mental illness, a statewide alliance for the mentally ill, an organization of parents with behaviorally different children, an organization for protection and advocacy of persons with disabilities, adult consumers of mental health services, and family members of adults, children, or youth with serious mental illness.

#### Significant Issues

There are a significant number of adults and children with serious mental illness in New Mexico. Recently, DOH and HSD contracted for an analysis of the availability of services and access to services in New Mexico. The analysis, known as the Gap Analysis, revealed there are insufficient services available in New Mexico to address the needs of individuals with mental

illness and behavioral health concerns, especially in rural areas. The Gap Analysis also noted insufficient funds are being spent on services.

Adults with mental illness and families of children with mental illness may not have the financial resources to purchase needed services, but have an income that prevents them from being eligible for Medicaid. A Medicaid Waiver may use the higher institutional level of income and resources thereby offering adults an opportunity to have necessary health care. A Medicaid Waiver may also waive deeming of income from parents to a child, facilitating Medicaid eligibility for the child. Non-traditional, community-based Medicaid services may be offered to a targeted population under a Medicaid waiver.

### **FISCAL IMPLICATIONS**

The Department of Health estimates an additional General Fund contribution would be required if a waiver for the mentally ill under Medicaid was created. Funding in the DOH is provided as a safety net for New Mexicans that are uninsured or underinsured. Using existing dollars to leverage Medicaid funding could eliminate that safety net exposing behavioral health clients to serious medical risk.

MW/njw