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FISCAL IMPACT REPORT

SPONSOR Trujillo DATE TYPED 1/31/04 HB 185/aHCPAC

SHORT TITLE Completion of Health Care Cost Study SB _____

ANALYST Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$200.0			Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Responses Received From

Legislative Council Service, Legislative Health and Human Services Committee Staff
 Human Services Department (HDS)
 Health Policy Commission (HPC)

SUMMARY

Synopsis of HCPAC Amendment

The House Consumer and Public Affairs Committee amendment makes the following minor changes in language that do not alter the intent of the bill.

1. On page 2, line 13, after "of" insert "New Mexico".
2. On page 2, line 14, strike "comparison to other states" and insert in lieu thereof "comprehensive health care reform proposals that deal with the uninsured in the state".
3. On page 2, line 15, strike "plan benefit" and insert in lieu thereof "coverage".
4. On page 2, line 16, after "models" insert "to analyze the impact of these models on New Mexico health care expenditures and the number of uninsured".
5. On page 2, line 16, after "identify" insert "health care reform".
6. On page 2, lines 16 and 17, strike "for health care coverage and access".
7. On page 2, line 18, after "uninsured" insert ", control escalating health care costs and foster a system of inclusive health care coverage and access for all New Mexicans",.

Synopsis of original Bill

House Bill 185 appropriates \$200 thousand from the general fund to the Legislative Council Service (Health and Human Services Committee) for the purpose of conducting a study to fulfill the requirements of Laws 2003, Chapter 380.

Significant Issues

Laws 2003, Chapter 380 requires the Legislative Health and Human Services Subcommittee, in consultation with the New Mexico Health Policy Commission, conduct a study to review and determine the impact of health care expenditures on the health care industry and the state's economy. Investigation should include the impact of both compensated and uncompensated costs, the expectations and outcome of the state and national health care reform efforts over the last ten to fifteen years and the public and private costs of providing health care to all New Mexicans. The Legislative Health and Human Services Committee is to provide a written report to the governor and the New Mexico Legislative Council by November 1, 2004.

The bill requires co-operation with HSD, Children, Youth, and Families Department, Agency on Aging and other state agencies that provide health care services or programs directly or indirectly, health care provider associations and consumer advocate groups.

The bill stipulates that the study shall produce the following:

- Data and information on state and personal health care expenditures.
- Assess the impact of health care spending on the health care industry and the state economy.
- Develop an evaluation of compensated and uncompensated costs.
- Analyze state and national health care reform efforts over the previous fifteen years.
- Develop recommendations on approaches to provide health care coverage and access for all New Mexicans.
- Complement the federal Health Resources and Services Administration state planning grant awarded to the Human Services Department.

The purpose of the bill is to:

- Develop a baseline of health expenditures that will provide comparison to other states.
- Develop and cost out various health plan benefit models.
- Use economic and finance forecasting models.
- Identify options for health care coverage and access that the executive and legislature may consider to reduce the number of uninsured.

FISCAL IMPLICATIONS

The appropriation of \$200.0 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2005 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

The Legislative Health and Human Services staff indicates the funds are needed to perform professional actuarial analysis and statistical analysis of health care expenditures.

MW/lg