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FISCAL IMPACT REPORT

SPONSOR Begaye DATE TYPED 02/09/05 HB 342

SHORT TITLE Urban Indian Health Service Solution Study SB _____

ANALYST Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
\$50.0				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)
 Health Policy Commission((HPPC)
 Department of Health (DOH)
 Department of Indian Affairs (DIA)

SUMMARY

Synopsis of Bill

Senate Bill 342 appropriates \$50 thousand from the general fund to the Indian Affairs Department for a study and report on strategies for solving the long-range problem of identifying and generating adequate funding of urban Indian health services. The department is to contract with an organization capable of integrating the input of all tribal entities currently involved in the administration of the Indian health services in New Mexico' urban areas. A report is to be delivered to the Indian Affairs Committee by October 2005. The bill contains an emergency clause.

Significant Issues

The Indian Affairs Department notes.

Currently, the Albuquerque Indian Health Center faces a budget deficit as a result of numerous factors including the general under-funding of the Indian Health Service. A federal appropria-

tion of \$5 million will help the Albuquerque Indian Center to maintain and provide an adequate level of health care services to the Native American user population.

According to the 2000 U.S. Census, over 10% of New Mexico's population is American Indian. The state's urban Indian population lives predominately in the Albuquerque metropolitan area, which makes Albuquerque the 7th in the nation for largest American Indian and Alaska Native population. The Albuquerque Indian Health Center serves a majority of this urban Indian population. The lack of federal funding to the Albuquerque Indian Health Center will result in urban Indians having to seek alternative health care resources and significantly impacting the state, county, Tribal and local private and public health care systems and resources.

Human Services adds.

Albuquerque Indian Hospital (AIH), part of the IHS system, has recently experienced financial difficulties. Several New Mexico Pueblos implementing Public Law 93-638 contracts removed their portion of AIH's funding in order to deliver health care services locally. AIH serves a large number of urban Native Americans, many of whom are not eligible for Medicaid. For example, low-income or working poor adults without children may not have commercial health care coverage, but also would not be eligible for Medicaid. Additionally, AIH lost their inpatient hospital certification and are now billing Medicaid only for outpatient and pharmacy services.

Medicaid makes significant payments on behalf of eligible Native Americans to the Indian Health Service with roughly \$63 million projected for FY05.

The Department of Health echoes the above.

The Indian Self-Determination and Education Assistance Act, Public Law (P.L.) 93-638, permits local tribes and pueblos to take their share of funds out of the Albuquerque service unit. As a result, the Albuquerque Indian Health Center (AIHC - previously known as the Albuquerque Indian Hospital) is experiencing further reductions in funding and is planning to close its urgent care center in February 2005. Estimates are that from 17,000 to 40,000 urban Indians will be impacted by this closure.

Urban Indians will have to seek care at other health agencies, which may limit access to culturally appropriate care such as: attention to cultural beliefs, addressing of linguistic barriers, and building trust.

FISCAL IMPLICATIONS

The appropriation of \$50 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

MW/njw