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## FISCAL IMPACT REPORT

SPONSOR Heaton DATE TYPED 3-4-05 HB 1038

SHORT TITLE County Indigent Hospital Claims Fund SB \_\_\_\_\_

ANALYST Collard

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			\$0.1 Moderate	Recurring	County Indigent Claims Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB 1052

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)

Aging and Long-Term Services Department (ALTSD)

### SUMMARY

#### Synopsis of Bill

House Bill 1038 amends the Indigent Hospital and County Health Care Act (27-5-7.1 NMSA). It would add, as an allowable use of the County Indigent Claims Fund, emergency and specialty inpatient and outpatient care when that care is delivered in Class A counties by county hospitals or other medical facilities operated and maintained by state educational institutions named in Article 12, Section 11 of the constitution of New Mexico. The bill allows coverage of care by medical doctors, osteopathic physicians and other professional providers when that care is not available within the county of residency or is necessary to address life-threatening injuries, illnesses or disabilities of indigent residents of the county. Payment shall not be less than amounts paid by the Human Services Department for Medicaid patients who are not enrolled in managed care organizations.

Significant Issues

DOH indicates this bill expands the permissible use of County Indigent Claims Fund in Class A counties to include payments for emergency and specialty inpatient and outpatient care by a county hospital. This would have direct impact on Bernalillo County, which is currently exempted from such payments in the definitions of the Indigent Hospital and County Health Care Act. The bill would also establish a minimum payment rate for services delivered in Class A counties of no less than Medicaid fee-for-service rates.

**FISCAL IMPLICATIONS**

There is no appropriation contained in this bill, however the bill amends the claims fund and authorizes the use of the county indigent funds to pay for services outside the county at facilities maintained by state educational institutions.

**DUPLICATION**

House Bill 1038 duplicates Senate Bill 1052.

**TECHNICAL ISSUES**

DOH notes language referencing “county” in HB 1038 does not match the definition of “county” in the current statute, 27-5-4.H. The statute reads: "**county**" means a **county** other than a class A **county** which has a **county** hospital operated and maintained pursuant to a lease with a state educational institution named in Article 12, Section 11 of the constitution of New Mexico.

DOH suggests on page 2, line 13: insert “human services” before “department”

**OTHER SUBSTANTIVE ISSUES**

DOH indicates the University of New Mexico Hospital (UNMH) has announced a budget shortfall in the current year tied directly to uncompensated care for medically indigent patients. The current shortfall exceeds \$2 million.

The proposed provisions in this bill would address some of the indigent care needs of UNMH by authorizing the use of Bernalillo County Indigent Hospital Claims Fund resources to pay for care at a minimum rate of compensation. DOH indicates the bill language is permissive, and would still require negotiation with Bernalillo County to allocate additional resources for UNMH use. The bill would permit County Indigent Hospital Claims Funds in other counties to reimburse UNMH for care received by their county residents at that facility.

**KBC/yr**