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FISCAL IMPACT REPORT

ORIGINAL DATE 02/05/06

SPONSOR Trujillo LAST UPDATED _____ HB 648

MEDICAID ELIGIBILITY FOR CERTAIN

SHORT TITLE ADULTS SB _____

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$22,500.0	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 543
Relates to Appropriation in the General Appropriation Act

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
	\$57,500.0	\$57,500.0	Recurring	Federal Medicaid

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY06	FY07	FY08	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$41,000.0	\$41,000.0	\$82,000.0	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 648 appropriates \$22.5 million from the general fund to the Human Services Department for the purpose of financing the Medicaid program for expanded eligibility criteria. Medicaid eligibility is expanded to include adults in benefit groups with income up to and including 100 percent of Federal Poverty Level (FPL).

FISCAL IMPLICATIONS

The appropriation of \$22.5 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 shall revert to the general fund.

SIGNIFICANT ISSUES

Medicaid currently covers adults in benefit groups with gross income up to and including 85% of FPL provided that the adult(s) have less than the current standard of need after income deductions and exclusions. HSD estimates there are that approximately 38,500 adults under 100% FPL with at least one child and not currently covered by Medicaid. An adult must have at least one dependent child in order to be categorically eligible. If all were covered, and assuming the per member per month rate is \$450, the cost would be \$207 million per year total requiring \$58.8 million from the general fund. Based upon a take-up rate of 70%, the costs would then be \$144.9 million total and \$41 million from the general fund. The appropriation in this bill of \$22.5 million would generate an additional \$57.5 million in federal Medicaid match. This would leave an unfunded requirement of about \$18.5 million annually from the general fund.

Without an appropriation consistent with the increased costs it must be anticipated service or eligibility reduction in other Medicaid areas would be required.

TECHNICAL ISSUES

The bill does not specify whether or not income disregards and exclusions would apply or if a standard of need would still apply.

MW/mt