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## FISCAL IMPACT REPORT

	ORIGINAL DATE 2-4-06		
SPONSOR	LAST UPDATED	HB	
	CHILD HEALTH INSURANCE & MEDICAID		
SHORT TITLE	ELIGIBILITY	SB	482
		ANALYST	Lucero

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	300.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Human Services Department (HSD)  
 Department of Health (DOH)  
 Public Education Department (PED)  
 Health Policy Commission (HPC)  
 Children, Youth and Families Department (CYFD)

### SUMMARY

#### Synopsis of Bill

Senate Bill appropriates \$300.0 from the general fund to Children, Youth and Families for the purpose of developing a process to determine whether children are covered by health insurance and if they are not, to provide Medicaid eligibility information as follows:

1. \$200.0 to public education department for students in the public schools
2. \$100.0 to Children, Youth and Families Department for children in licensed day-care centers.

### FISCAL IMPLICATIONS

The appropriation of \$300.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

Administrative and outreach expenditures qualify for matching Medicaid funds. This appropriation could yield additional \$300.0 federal funds for a total of \$600.0.

## **SIGNIFICANT ISSUES**

This bill does not require either the Public Education Department or CYFD to actually identify the insurance status of children or provide information about Medicaid. Also, the legislation does not require either department to actually enroll or take affirmative steps to assure the enrollment of potentially eligible Medicaid children. The only requirement is that a process for those functions is developed.

Currently the Human Services Department is working with both departments to enroll children and provides federal matching funds for these efforts. The legislation appears to duplicate those efforts. School districts that have agreements with HSD receive information on the Medicaid status of their students. Schools then take the initiative to enroll those not on Medicaid that are potentially eligible. CYFD also takes the initiative to see that children in their custody are enrolled in Medicaid if potentially eligible. Should funding be appropriated it will be necessary to coordinate current activities of the three departments with any new programs to assure the unnecessary expenditure of funds. Also, these funds may be eligible for matching funds thus doubling the available amount.

HSD has learned through experience that many children potentially eligible but not enrolled are in that status because of family choice not to enroll. Often parents choose not to enroll in Medicaid until there is an identifiable necessity such as a birth, a medical emergency or a requirement for school physical or vaccinations.

In New Mexico more than one in five of the state's population, or 21.1 percent, lack any type of health insurance coverage. This figure, which represents nearly 400,000 New Mexicans, is substantially above the national average of 14 percent and ranks New Mexico second in the nation for the rate of uninsured. Eight-two percent of the children who are uninsured in New Mexico are eligible for Medicaid (New Mexico Medicaid Facts, American Academy of Pediatrics July, 2005). Medicaid is a safety net, providing necessary medical care to children from birth through age 19.

Currently, the Public Education Department has a Joint Powers Agreement that allows for billing for administrative Medicaid costs, including outreach. According to the Human Services Department, the public schools have in place a system to determine whether a child is enrolled in the Medicaid program. School districts send Medicaid a list of their students that is then matched against the Medicaid enrollment. Medicaid sends the school district back a list of students who are enrolled in Medicaid. This does not address whether or not the student has commercial or other health insurance.

The New Mexico Department of Health provides services to children through its Women Infants and Children Supplemental Nutrition Program, the provision of childhood immunizations, and other program services. Children are assessed for insurance status, provided with Medicaid eligibility information, and their families are assisted to enroll in Medicaid through Medicaid On-site Application Assistance and Presumptive Eligibility services.

## PERFORMANCE IMPLICATIONS

None

## ADMINISTRATIVE IMPLICATIONS

Depending on the type of process that is developed, there may be a need for information system modifications within the Medicaid Management Information System and between the three departments. No funding is provided for the analysis, design or implementation of system changes.

CYFD and PED would absorb any additional administrative costs related to implementation.

## TECHNICAL ISSUES

The appropriation contained in this bill targets children enrolled in public schools and licensed day care centers only – it would not target those children in child care homes registered by CYFD.

Medicaid eligibility for public school students is determined yearly by the Medicaid School Health Office of the Health and Human Services Division (HSD).

Presumptive Eligibility/Medicaid on Site (at school) Application Assistance can be made every six months in accordance with the Medicaid recertification rule.

PED does not determine health insurance coverage or Medicaid eligibility.

According to the Medical Assistance Division Medicaid staff, determination of health insurance coverage or eligibility for Medicaid does not occur at licensed day care centers.

## OTHER SUBSTANTIVE ISSUES

Many of the client children and families involved with CYFD service systems have medical and behavioral health needs, are low-income, and have no insurance. Maximizing access to Medicaid services for these children and families is a critical support. The state also maximizes health funding through the federal Medicaid match of direct service dollars.

Health Policy Commission provided the following information:

### Prevalence of Uninsured Children in New Mexico

According to the 2004 Uninsured Household Survey, only 10% of New Mexico children under the age of 6 are uninsured. This number grows to 13% among 6 to 10 year olds, and to 16% among 11 to 17 year olds.

The Health Policy Commission's (HPC) Quick Facts 2006 report sets forth the following ten-year trends on the percent of uninsured children under 18 in New Mexico:

1995	17.5%
1996	20.1%
1997	17.1%
1998	27.7%

1999	26.3%
2000	18.5%
2001	15.0%
2002	14.5%
2003	13.2%
2004	15.3%

*Children Enrolled in Medicaid*

According to the HPC’s Quick Facts 2006 report, as of July 31, 2005, approximately 260,128 children under the age of 21 were enrolled in Medicaid. This number accounts for approximately 62.86% of total Medicaid enrollment. Nearly 63% of all Medicaid recipients in New Mexico are under the age of 21.

*New Mexikids & Eligibility Requirements*

The New Mexikids program, a no cost or low cost health coverage for children under 19 years old, is part of a national \$47 million program of the Robert Wood Johnson Foundation to help insure children across the United States. If household income is less than 185% of the Federal Poverty Guidelines, health care services are provided to the child at no cost. If household income is between 185% - 235% of the Federal Poverty Guidelines, some of health care services may require a co-payment at the time each service is provided.

**ALTERNATIVES**

The appropriation of \$300.0 should be allocated to Medical Assistance Division, HSD, as it determines the Medicaid eligibility of children.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Funding may not be provided to develop a process to determine whether children are covered by health insurance, and if they are not, to provide Medicaid eligibility information. It is estimated that there are still several thousand uninsured children in New Mexico who are eligible for Medicaid assistance but are not enrolled. Not enacting this bill could result in the continued uninsured status of these children.

**AMENDMENTS**

If the intent of the language is to perform the enumerated functions then on Page 1, Line 19 delete “to develop a process to” and insert “shall”

Also, on Page 1, Line 21 after “information” delete “:” and insert “and provide necessary assistance to enroll in the Medicaid program.”

DL/mt