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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/2007

SPONSOR Stewart LAST UPDATED 3/6/2007 HB 234/aSPAC

SHORT TITLE Public Benefit Expiration Notices & Responses SB _____

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Human Services Department (HSD)

SUMMARY

Synopsis of SPAC Amendment

Senate Public Affairs Committee Amendment to Senate Bill 234 makes several language changes but does not change the substance of the bill. Item 10 eliminates the changes in Section 2 entirely. The Section 2 changes are apparently already covered in the new material added by Section 1.

Synopsis of Original Bill

House Bill 234 creates a new section in the public assistance act. HB 234 states a recipient is entitled to notice of expiration of Medicaid benefits when the recipient or the recipient's guardian, custodian or other authorized representative files a request for notice of expiration of benefits with the Human Services Department (HSD). The department shall respond to a request for notice of expiration of benefits within five business days of receipt of the request made on a form the department shall devise and make available to a recipient. The response shall be by physical mail, electronic mail or facsimile or by data input into a department-authorized web site.

HB 234 amends the public assistance act, 27-2-7 NMSA 1978, with the inclusion of a new subsection D. The new section states that when the department receives a request for notice of

expiration of benefits from a recipient, it shall provide such notice to the recipient and other persons authorized by the recipient to receive notice within five days of the submission of the request, informing the recipient or the recipient's designee of the current expiration date of benefits.

FISCAL IMPLICATIONS

HSD Indicates there should be cost involved for the development and supply of request forms, mailing costs, along with possible changes to the automated eligibility system (ISD2). The change to the automated eligibility system (ISD2) would cost approximately \$80,000.00. The printing of two-ply manual expiration notices and two-ply requests for the expiration notice would cost approximately \$30,000 per fiscal year.

SIGNIFICANT ISSUES

The Human Services Department reports.

The intent of HB 234 is unclear as HSD is currently providing computer-generated expiration notices to recipients of all department-administered programs, including the Medicaid and General Assistance (GA) programs.

Currently, HSD provides recipients of all department -administered programs a notice of expiration the month prior to the month of expiration, including Medicaid and GA.

HB 234 indicates that a recipient of Medicaid and GA is entitled to notice of expiration of benefits when the recipient or the recipient's guardian, custodian or other authorized representative files a request for notice of expiration. While the department automatically issues a notice of expiration of benefits the month prior to expiration of benefits, this bill would require in statute that the department also provide a notice of expiration upon request. This is a procedural process as written and could be developed through a regulatory process as the department would continue to automatically provide this information to a recipient as is currently done.

MW/nt