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FISCAL IMPACT REPORT

ORIGINAL DATE 02/01/07
 LAST UPDATED 02/24/07 **HB** _____

SPONSOR Feldman

SHORT TITLE Medicaid Eligibility for Certain Individuals **SB** 216/aSPAC

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	None		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$15,900.0	\$51,800.0	\$67,700.0	Recurring	General Fund
		\$62,200.0	\$152,000.0	\$214,422.0	Recurring	Federal

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Human Services Department (HSD)

SUMMARY

Synopsis of SPAC Amendment

On page 2, line 24, strike the period and insert in lieu thereof a semicolon and "provided, however, that eligibility pursuant to this paragraph is contingent upon federal approval and the availability of state and federal funds.".,

The amendment makes the Medicaid expansion proposed in the original bill contingent on funding consistent with the additional expenditures.

Synopsis of Original Bill

Senate Bill 216 creates a new coverage group for Medicaid: adults whose benefit group's income is below one hundred percent of the federal poverty guidelines.

FISCAL IMPLICATIONS

There is no appropriation with the bill but there would be potential significant expense related to such an expansion that would require appropriations from the general fund. The cost to the general fund would be dependent on final program design particularly regarding the summary of benefits and participant financial participation.

The costs noted in the additional operating budget impact above are provided by HSD and based on US Census data that suggests approximately 84,000 uninsured individuals under 100% of poverty and a 50% take-up rate for the new category.

SIGNIFICANT ISSUES

HSD notes.

The Executive budget recommendation includes funding to insure adults in this category (up to 100% of the federal poverty level). The Department is already working on implementation of this initiative, which will insure up to 26,000 adults by the end of FY08 and up to 42,000 by the end of the second year. Implementation may require some changes to the Medicaid State Plan, Medicaid Regulations, and possibly the Health Insurance Flexibility and Affordability (HIFA) waiver the Department currently uses to operate its State Coverage Insurance program. However, implementation does not require any statutory change. By putting this in statute, the Department would be tied to this as a budget item and would lack the flexibility to make changes as necessary when revenue forecasts so dictated.

In the event this bill is enacted and the Department does not receive federal approval to expand eligibility, the Department may be in the position of paying for these recipients with only General Fund dollars.

SB 216 does not define income as gross or net.

The law still provides for low-income families under JUL Medicaid based on NM Works financial criteria.

MW/nt