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FISCAL IMPACT REPORT

ORIGINAL DATE 02/09/10

SPONSOR Pinto LAST UPDATED _____ HB _____

SHORT TITLE Medicaid Funding & Native American Category SJM 50

ANALYST Earnest

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		See Fiscal Implications Section				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Indian Affairs Department (IAD)

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 50 resolves that Medicaid be fully funded to meet enrollment needs and avoid cuts to eligibility and services. The memorial further resolves that:

- the state restore funds to establish the baseline of funding for the program and ensure that these funds are not reduced again if the federal stimulus is extended into fiscal year 2011; and
- that no major changes be made to tribal health services delivery or funding absent a formal tribal consultation to establish a process to develop a Native American coverage program utilizing the state consultation process for inclusion of tribal representatives, Indian health service and tribal leaders in developing a Native American coverage plan acceptable to all twenty-two tribes, nations and pueblos;
- a program be designed to establish Native Americans as their own eligibility category for benefits; and
- the legislature protect the Medicaid program from structural changes that would reduce coverage and services and develop an approach toward Medicaid that is aligned with the purposes of national health care reform to ensure health care coverage for low-income people; and

- that revenues be raised for Medicaid through options that create a more fair tax system and alleviate the burden on working families and low-income New Mexicans; and
- copies of this memorial be transmitted to the Governor, the Secretary of Human Services, the Medical Assistance Division of the Human Services Department, the tribal leadership for all New Mexico Indian Tribes, Nations and Pueblos and the Indian Affairs Department.

FISCAL IMPLICATIONS

There is no direct fiscal impact imposed by the memorial. However, the memorial requests additional, but unspecified, appropriations from the general fund for Medicaid programs to avoid any cost containment or restructuring that would impact eligibility or services. In addition, the memorial also requests a new category of eligibility for Native Americans, which would carry some administrative costs for the Human Services Department.

SIGNIFICANT ISSUES

The Indian Affairs Department, in response to a duplicate memorial in the House (HJM 43), reports:

The New Mexico Human Services Department (“HSD”) has been engaged in evaluating and planning the redesign of Medicaid services in New Mexico. Faced with a multi-million dollar shortfall in state funds for the state Medicaid program in FY11, HSD is working to develop a new Medicaid system that meets budgetary restrictions and still provides necessary and needed services to low-income populations in the state. While no determination has been made by HSD regarding the eligible populations and benefits under a redesigned Medicaid plan, it is anticipated that it will impact currently provided services and benefits.

These changes would create significant impacts to the current New Mexico population being served by the state Medicaid program. HJM 43 is particularly concerned about the impact these changes, and any cuts in benefits and services, may have on the Native American population being served by Medicaid. In 2008, HSD estimates that 72.4% of all American Indians/Alaska Natives (“AI/AN”) and 74% of AI/AN children lived below 250% FPL, which makes them eligible for certain services in the current state Medicaid program; and in 2008, 81,388 AI/AN adults and children were enrolled in Medicaid.

It is important to note that services provided to AI/ANs enrolled in the Medicaid program and who receive services in the Indian Health Service (“IHS”) and Tribal 638 systems are reimbursed with 100% of federal dollars and no state general funds are used to pay for these services. For this reason, HJM 43 resolves that no major changes should be made to the health services provided to Native Americans through the IHS and Tribal 638 system without first engaging in tribal consultation and determining how to design a Medicaid program for specifically for Native Americans. This consultation process would follow the policy and protocols set forth in the newly signed HSD State-Tribal Consultation, Collaboration, and Communication Policy pursuant to the State-Tribal Collaboration Act (§ 11-18-3 NMSA 1978). It should be noted that according to the Policy, the consultation process can only be initiated through a written request for consultation by a state agency or a Tribe.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Senate Joint Memorial 1, Senate Memorial 27 and House Memorial 28. Duplicate of House Joint Memorial 43.

BE/mew