

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (www.nmlegis.gov). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/14/13

SPONSOR Lopez LAST UPDATED _____ HB _____

SHORT TITLE School & Child Care Medicaid Enrollment SB 427

ANALYST Geisler

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		.01 Minimal, See Narrative			Recurring	General Fund & Federal Funds

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Service Department (HSD)

Children, Youth and Families Department (CYFD)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 427 (SB 427) requires the Secretaries of the Public Education Department (PED) and the Children, Youth and Families Department (CYFD) to consult with the Human Services Department (HSD) to establish rules that require students (or families) to provide proof of health insurance coverage prior to enrollment in a public school or licensed child care program. For families without coverage in public schools, refer the student to a person authorized to complete a Medicaid application on the student's behalf; or in child care, require families to complete an application for state Medicaid eligibility (that shall be referred to a person authorized to complete a Medicaid application on the child's behalf). In either case, students will be provided with the HSD information on presumptive eligibility for Medicaid and the State Children's Health Insurance Program.

FISCAL IMPLICATIONS

If enacted SB 427 would like cause minimal increases in agency administrative costs as well as the Medicaid program. The HSD notes that requiring uninsured students and children in licensed

child care facilities to apply for Medicaid would increase children's enrollment in Medicaid, impacting the budget for Medicaid. The PED and the CYFD note there is no appropriation contained within this bill and that the bill places an additional burden on public schools and child care programs with limited administrative capability. Monitoring compliance with requirements imposed by this bill would require the equivalent of one additional child care licensing surveyor. There are approximately 60,000 children in licensed child-care programs in New Mexico. If each child's file is checked to ensure compliance, it would require approximately 2,000 additional hours – or at least the equivalent of 1 FTE licensing surveyor – assuming an average of two minutes to check each child's file, note compliance or non-compliance and (especially) follow up on children who are non-compliant.

SIGNIFICANT ISSUES

SB 427 helps to strengthen state efforts to enroll eligible children and students into Medicaid. The medicaid program provides physical, dental, and behavioral health services to children of families earning up to 235 percent of poverty (\$54,168 for a family of four). Currently, the last HSD enrollment report showed 338,787 children enrolled as of October 2013. Enrollment has been stable at between 336 thousand and 338 thousand since 2011. Increasing enrollment outreach as envisioned by SB 427 will likely increase enrollment and provide greater access to preventative, as well as acute medical care for children. The average monthly cost for medicaid physical health under managed care is \$266, with almost 70 percent, or \$186, covered by federal funds.

SB 427 requires students to furnish proof of health insurance coverage prior to enrollment in public school and for public schools to refer students without proof of coverage to a person authorized to complete a Medicaid application on the student's behalf. The standard of review regarding proof of insurance and the determination as to whether or not a child is insured are not clear. It is also unclear whether or not the assessment is a one-time process or a requirement at the beginning of every school year. It should be noted that insurance coverage may fluctuate throughout the year due to changes in income, divorce, loss/gain of employment, etc. It is also unclear how the public schools will refer those determined to be uninsured to an authorized person.

The bill requires an automatic referral of any student enrolled in a federal school nutrition program to a person authorized to complete a Medicaid application on the student's behalf and the forwarding of that application to the HSD. It does not indicate how students with current health insurance and enrolled in a federal school nutrition program will be exempted from the automatic referral process.

SB 427 also mandates that licensed child care facilities require families that do not furnish proof of health insurance coverage to complete Medicaid applications, which are to be referred to a person authorized to complete the application on the child's behalf. It is not clear how the child care facilities are to enforce completion of Medicaid applications when a family does not furnish proof of insurance nor how the facilities would refer such applications to a person authorized to complete the application on the child's behalf.

While the HSD has an extensive statewide public education determiner network to facilitate public education and Medicaid applications, it is not clear whether SB 427 expects school districts and licensed child care facilities to have on-site public education determiners in order to accommodate the volume of referrals that may result from the requirements.

Additionally, SB 247 could impact county Income Support Division (ISD) offices with an increased volume of Medicaid applications during school enrollment periods. Potential backlogs could occur, affecting timeliness for application processing. Although the new ISD eligibility system, ASPEN, will not be in place for the beginning of the August 2013 school enrollment, in January 2014 the HSD will have implemented both ASPEN and YES-NM statewide. YES-NM is a web portal that allows for online screening for the public assistance programs administered by the HSD, including Medicaid. YES-NM also contains functionality for the submission of an online application into ASPEN. These systems will allow agents of the PED and the CYFD to assist individuals in the screening and application submittal process. In addition to functionality for online screening and submission of applications, YES-NM includes functionality for recipients to report changes and renew benefits online. Individuals enrolled in Medicaid will be able to report changes to their case, such as household composition, income and change of address. YES-NM will also allow for individuals to view correspondence that has been mailed to them regarding their case.

The CYFD notes that the bill does not address consequences if the schools, the child care provider, or the family fails to perform these tasks.

ADMINISTRATIVE IMPLICATIONS

The HSD notes that implementation of SB 427 may necessitate the HSD conducting more public education trainings so that additional individuals in schools, child care facilities, and the CYFD can become determiners.

TECHNICAL ISSUES

The HSD and the CYFD notes the following sentence from the bill (page 2, lines 17-20) is confusing and should be considered for revision:

“Families not furnishing proof of health insurance coverage shall complete an application for state medicaid eligibility that shall be referred to a person authorized to complete a medicaid application on the child's behalf.”

A potential solution would be replace “that” on line 19 with “or” which gives the family the option to complete the Medicaid application themselves or to go to another authorized person, or an HSD income support office, for assistance.

The PED notes that there is not a definition of “person authorized to complete a medicaid application” on behalf on a student or child.

GG/svb