

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 (legis.state.nm.us). 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
LAST UPDATED 1/25/06

SPONSOR Martinez HB 118/aHGUAC

SHORT TITLE MEDICAL OR PREMIUM ASSISTANCE PROGRAM SB _____

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Department of Health (DH)

Aging and Long Term Services Department (ALTSD)

SUMMARY

Synopsis of HGUAC Amendment

The House Government and Urban Affairs Committee make the following changes:

1. On page 1, line 13, strike "PERSONS" and insert in lieu thereof "CHILDREN AND PREGNANT WOMEN".

2. On page 2, line 4, after "funds" insert "received by the state from public or private grants or donations".

3. On page 2, line 7, strike "persons" and insert in lieu thereof "children up to the age of twelve if not part of a sibling group; children up to the age of eighteen if part of a sibling group that includes a child up to the age of twelve; and pregnant women".

4. On page 2, line 9, strike the quotation mark and insert in lieu thereof:

"The department, in implementing the provisions of this subsection, shall:

- (1) establish rules that encourage pregnant women to participate in prenatal care; and
- (2) not provide a benefit package that exceeds the benefit package provided to state employees.""

The effect of the changes is to limit premium assistance programs to pregnant women, children up to age 12, or 18 if part of a sibling group that includes a child up to age 12. On page 2, line 4 the addition makes clearer the types of approved fund sources.

The final addition directs HSD to establish rules encouraging pregnant women participate in prenatal care programs and that any benefit package for premium assistance participate shall not offer benefits that exceed the state employees' health insurance benefit provisions.

Synopsis of Original Bill

House Bill 118 proposes that the Medical Assistance Division of the New Mexico Human Services Department may, by rule, provide medical and premium assistance to persons who are New Mexico residents and who are ineligible for federal public assistance. The medical and premium assistance proposed in the bill would be applicable to medical or long-term care insurance. Any medical or premium assistance subject to the provisions of the bill would depend on the availability of appropriations and federal, state or other funds.

FISCAL IMPLICATIONS

In the absence of an appropriation there is no direct fiscal implication unless HSD would have unused funds and budget authority.

SIGNIFICANT ISSUES

The bill would allow HSD to develop rules to pay private health insurance premiums. HSD reports there are approximately 400,000 uninsured New Mexicans. With such a large uninsured population a program of this nature would have applicability. If a benefit package such as the State Coverage Insurance program were used an anticipated premium would be about \$300 per month. This represents a total potential need of \$1.4 billion to cover all the uninsured at this benefit level. The bill does not suggest any eligibility qualifiers such as minimum income the HSD rules should include. Consideration may be given to including these in the bill to ensure legislative intent.

MW/nt