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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/06

SPONSOR Trujillo LAST UPDATED _____ HB 324

SHORT TITLE MEDICAID ELIGIBILITY FOR CERTAIN ADULTS SB _____

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	None		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 543
Relates to Appropriation in the General Appropriation Act

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY06	FY07	FY08	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
		\$41,000	\$42,300	\$83,300	Recurring	General
		\$103,900	\$107,194	\$211,094	Recurring	Federal Medicaid

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Human Services Department (HSD)

SUMMARY

House Bill 324 amends Section 27-2B-15 NMSA 1978 to add Medicaid eligibility for adults in benefit groups with income up to and including 100 percent of Federal Poverty Level (FPL).

FISCAL IMPLICATIONS

HSD estimates that approximately 38,500 adults are under 100 percent of poverty with at least one child and not currently covered by Medicaid. If all were covered, and assuming a managed

care monthly premium of \$450 for an adult, the cost would be \$207 Million per year, or \$58.8 Million in GF. Based upon a take-up rate of 70%, the costs would then be \$144.9 Million total and \$41 Million in State funds.

SIGNIFICANT ISSUES

JUL Medicaid is the designated category that currently covers adults in benefit groups with gross income up to and including 85% of FPL provided that the adult(s) have less than the current standard of need after income deductions and exclusions.

The bill does not specify whether or not income disregards and exclusions would apply or if a standard of need would still apply.

The bill does not specify this new coverage group as JUL Medicaid or if this is an entirely new category of eligibility.

Without an appropriation consistent with the increased costs it must be anticipated service or eligibility reduction in other Medicaid areas would be required.

MW/mt