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FISCAL IMPACT REPORT

SPONSOR Feldman & Picraux **ORIGINAL DATE** 01/23/10
LAST UPDATED 02/11/10 **HB** _____

SHORT TITLE Health Care Reform Working Group **SJM** 1/aSRC/aSPAC

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$5.0- \$15.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 Human Services Department (HSD)
 Health Policy Commission (HPC)
 Public Regulation Commission (PRC)

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee Amendment provides that the working group will include membership from the Legislative Health and Human Services Committee, not just from its membership; and further provides that the Legislative Council will appoint the legislative members of the working group, as opposed to the leadership of the House and Senate.

Synopsis of SRC Amendment

The Senate Rules Committee amendment clarifies that (1) federal and state health care reform legislation is being considered, and may occur; and (2) many components of federal health care reform legislation calls for some degree of action by the state, but not all.

The amendment also inserts a new provision, “regardless of the status of any federal health care reform legislation this year, NM must be in a position to make a well-planned response to a number of different health care reform options”.

Synopsis of Original Bill

Senate Joint Memorial 1 requests the PRC convene a health care reform group to make recommendations to the Governor and the Legislature regarding implementation and supplementation of Federal and State health care reform measures.

FISCAL IMPLICATIONS

PRC and HSD report that the fiscal impact for staff participation in the working group could be absorbed within existing resources.

DOH reports that there would be a fiscal impact in staff time to attend meetings; obtain input from consumers and others; and for preparing reports.

State agency staff would need to be redirected from duties otherwise assigned during this time.

The recommendations from the working group may support the state's efforts in accessing federal monies efficiently.

HSD reports that the Medicaid Assistance Division is currently in the process of aligning the Medicaid program with the requirements that are anticipated as part of federal health reform.

SIGNIFICANT ISSUES

The health care reform working group will be required to receive input and recommendations from consumers, health insurers, providers, Native Americans and other parties.

The health care reform working group must consider in its recommendations; input on the creation of any exchanges or other entities designated in the federal legislation; the creation of any other entities it considers necessary to supplement the federal reforms; whatever changes in State regulations are necessary to reconcile differences or conflicts between Federal and New Mexico insurance regulations; State strategies to get access to federal money available for health care work force development, Medicaid, community clinics, addressing health care disparities and health care information systems; any restructuring of medical assistance programs to maximize federal funds; and other health-related issues.

PERFORMANCE IMPLICATIONS

The health care reform working group will be required to meet monthly from March through September 2010 and present its recommendations and proposed action steps for administrative, legislative, regulatory, operational and financial initiatives necessary to implement and supplement federal health care reform to the Governor, the Legislative Finance Committee (LFC) and the Legislative Health and Human Services Committee (LHHSC) by October 1, 2010. This is a very grand endeavor and may be in too short of a timeframe to accomplish these goals.

ADMINISTRATIVE IMPLICATIONS

The proposed health care reform working group will include membership from DOH, HSD, LFC, leadership of the LHHSC, the Insurance Division of the Public Regulation Commission, the New Mexico Medical Insurance Pool and the New Mexico Health Insurance Alliance.

The Health Policy Commission noted that it was not named in the above group, although they are tasked with providing recommendations on health policy issues.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

State agencies will still need to work together and with business, provider and consumer groups to implement aspects of federal health reform legislation when and if passed.

AHO/svb:mt