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FISCAL IMPACT REPORT

SPONSOR: Knauer DATE TYPED: 02/22/01 HB 491/aHCPAC
 SHORT TITLE: Coverage for Chronically Ill Children SB _____
 ANALYST: Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 238, HB 300, HB 99, and SB 143

SOURCES OF INFORMATION

Human Services Department
 Health Policy Commission

SUMMARY

Synopsis of Amendment

The Consumer and Public Affairs Committee’s amendment corrects a language problem.

Synopsis of Original Bill

HB 491 amends the Public Assistance Act pertaining to the State Children’s Health Insurance Program (SCHIP) by expanding coverage for children with catastrophic, life-threatening or chronic illnesses or conditions that have lost eligibility because of age limits under Title XIX or Title XXI of the federal Social Security Act. The Human Services Department (HSD) would be directed to request a waiver so that the targeted children would have coverage continued through age 21 (or earlier if the child becomes eligible for Supplemental Security Income.)

Significant Issues

HSD makes the following points;

- Language in HB 491 makes it unclear whether “expanded coverage” refers only to an increase in the upper age limit for eligibility or whether additional or enhanced services would also be included. Under SCHIP federal legislation, a child is defined as an “individual up to the age

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of 19.” HSD believes that approval of a waiver to an age limit above what is defined in federal statute is unlikely.

- “Catastrophic, life-threatening or significant chronic illnesses” is rather broad and not well defined.
- In New Mexico, Title XXI is available to children between 185% - 235% of the Federal Poverty Level (FPL). It cannot be used for children below 185% FPL. As written, HB 491 addresses children who lose Medicaid eligibility due to age, but **are** under 185% FPL.
- HB 491 would cover children “who have lost eligibility because of age limits under Title XIX or Title XXI.” It is unclear whether new applicants aged 19, 20, and 21 who meet the criteria on the basis of condition, but have never received Title XIX or Title XXI, would be eligible.

FISCAL IMPLICATIONS

HB 491 carries no appropriation, although expanding coverage to an additional population would increase the cost of the program. HSD did not provide information on the cost of covering this service.

ADMINISTRATIVE IMPLICATIONS

HSD indicates The Medical Assistance Division would require staff to make eligibility determinations as to whether or not "catastrophic, life-threatening or significant chronic illnesses or conditions" as defined, are met. Also, HSD notes that expanding Medicaid coverage would require reprogramming of both the Medicaid Management Information System (MMIS) and the eligibility (ISD2) systems, as well as policy promulgation and training costs.

RELATIONSHIP

HB 238, NM Works Act - all parents under TANF will be eligible for Medicaid
HB 300, Prescription Drug Senior Program - expanding Medicaid
HB 99, GF: Services not Covered by Medicaid B for children
SB 143, Prescription Drug Senior Program - expanding Medicaid

OTHER SUBSTANTIVE ISSUES

HPC reports the following information:

- EPSDT, a federally mandated program, covers any child who is covered under Medicaid between the ages of 0-20.
- State Children's Health Insurance Program (SCHIP) was designed to reach children who may come from working families with incomes of (185% - 235% FPL) to qualify for Medicaid but too low to afford private health insurance. SCHIP has an age limit of 0-19.
- The Children's Medical Services (CMS) in Maternal Child and Health, Department of Health, offers a continuity of services to no more than 150,000 individuals who are dropped by Medicaid, SCHIP or EPSDT, if those individuals meet certain medical conditions and fall within the 200% or less federal poverty level.

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- According to the December 2000 NM Medicaid Monthly Children Eligibility Report, over 524 children had potentially life threatening, catastrophic or chronic illness under the Medicaid program:
 - < Medically fragile B 137
 - < Developmental Disabilities B 384
 - < Institutional Care, Disabled B 3
 - < Foster Care B a certain number of chronically ill children are in foster care, actual number unknown.
- There is a gap in health coverage for children who turn 18 until they are 21 (when they may qualify for SSI benefits) although their income status has not changed.

POSSIBLE QUESTIONS

HSD believes that approval of a waiver to an age limit above what is defined in federal statute is unlikely. However, would it be possible to secure a waiver for adults between the ages of 19 through 21 under the SCHIP program?

BD/ar:njw:pr