

**NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.**

**Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.**

## FISCAL IMPACT REPORT

SPONSOR: Lopez DATE TYPED: 02/25/01 HB \_\_\_\_\_  
 SHORT TITLE: Medicaid for Temporary Assistance Clients SB 479  
 ANALYST: Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 2,500.0		See Narrative	Rec	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Companion to House Bill 238, Senate Bill 392

### SOURCES OF INFORMATION

Health Policy Commission

### SUMMARY

#### Synopsis of Bill

SB 479 makes an appropriation of \$2,500.0 for *Medicaid coverage for clients of the temporary assistance for needy families program* who are not eligible for full-family coverage under the Medicaid program due to current guidelines outlined under the NM Works Act.

#### Significant Issues

The bill is dependent on the enactment of either HB 238 or SB 392. These bills amend the NM Works Act to provide for Medicaid coverage as indicated above in SB 479. HB 238 and SB 392 provide additional Medicaid coverage for individuals who have been sanctioned under the TANF program. In other words, individuals sanctioned under the NM Works Act would continue to receive Medicaid benefits during the sanctioned period.

SB 479 does not cover another group addition to the Medicaid program. However, SB 479 is necessary to complete the collaboration effort. (See Administrative Impact) This bill appropriates funding for Medicaid expansion to provide coverage for an estimated 2,700 adult members/month of the benefit group covered under TANF currently not eligible for Medicaid (HB 238, SB 392).

### FISCAL IMPLICATIONS

## Senate Bill 479 -- Page 2

SB 479 makes an appropriation of \$2,500.0 of recurring general fund to the Human Services Department for expenditure in fiscal year 2002. The general fund would draw down a federal match of \$6,270.3

### ADMINISTRATIVE IMPLICATIONS

HB 238 and SB 392 were developed in collaboration between HSD and Legislative Interim Welfare Reform Oversight Committee with public input. From HSD,s perspective these bills represent legislation that would correct a number of policies that do not work well. Therefore, SB 479 is legislation that is necessary to complete this collaboration effort.

### COMPANIONSHIP

- c Companion to House Bill 238, Amend New Mexico Works Act.
- c Companion to Senate Bill 392, Amend New Mexico Works Act.

### OTHER SUBSTANTIVE ISSUES

HPC states that there is a need to expand Medicaid coverage to this population because the median household income in New Mexico is \$27,929 with 346,994 persons living at or below poverty level according to 1999 estimates in the NM Department of Labor Social and Economic Indicators, June 2000.

According to NM HPC Quick Facts 2001, in 1999 25.8% of all New Mexicans are uninsured with 13% receiving Medicaid coverage. Of adults 19 to 65 years of age, 29.4% were uninsured in 1999 with 13.8% of this age group receiving Medicaid benefits.

In a new report released by the RWJ Foundation State Coverage Initiatives, "*Disparities In State Health Insurance Coverage...*", December 2000, and based on Urban Institute estimates, New Mexico is shown, for the period from 1996-1998, to have the lowest percentage of private health insurance in the non-elderly population (19-64) in the US at 59% and the highest 47.8% percentage of low-income persons in that same age group.

BT/ar