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## FISCAL IMPACT REPORT

SPONSOR: Lopez DATE TYPED: 2/26/01 HB \_\_\_\_\_  
 SHORT TITLE: Maximize Federal Matching Funds for Health SB 480  
 ANALYST: Dunbar

### APPROPRIATION

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

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

Health Policy Commission

### SUMMARY

#### Synopsis of Bill

SB 480 requires the Human Services Department (HSD) to maximize federal matching funds for health services through the leveraging of exiting state funds.

#### Significant Issues

Amends Section 27-1-3 NMSA 1978, Activities of the Human Services Department, adding a new sub heading M:

- *Identify health related programs in HSD and other departments, including the Department Of Health (DOH) , State Department of Education (SDE), and the Children, Youth and Families Department (CYFD) that are eligible for federal matching funds through Title 19(Medicaid) or Title 20 (S-CHIP)*
- *Establish and maintain mechanisms necessary to obtain the most favorable federal matching funds for those health services.*

### FISCAL IMPLICATIONS

The federal match rate for Title 19 in the year 2000 is 73% federal: 27% state, and the match rate for Title 20 is 81%: 19% state.

### ADMINISTRATIVE IMPLICATIONS

The Human Services Department did not respond with an analysis of the legislation. However, the provision will impact on administration. The impact is undetermined.

### **OTHER SUBSTANTIVE ISSUES**

According to a revenue streams study compiled by the HPC in 1999-2000 and discussed in the 2000 HPC HJM 18 Phase 1 and Final Reports, there are several programs at the Department of Health and the Children, Youth and Families Department that are potential sources of Medicaid matching dollars, and could be certified or inter – agency transferred to HSD for leveraging purposes, including:

- DOH District/Local Offices – any administrative functions such as Medicaid Off-Site Application Assistance (MOSAA) could be certified and receive a 50% match rate, and other direct services delivered through these offices could be matched at the higher rate. Functions that are duplicative need to be explored with potential re-direction of funds within DOH.
- Rural Primary Health Care Act funds - The State General Fund appropriates over \$12 million, through the Department of Health, distributed to Primary Care Clinics in 29 of the state's 33 counties. 9% of the County Supported Medicaid Fund also goes to RPHCA and is currently leveraged. These clinics serve a high proportion of indigent and Medicaid patients, and the funds could potentially be certified for Medicaid matching dollars.
- Children's Medical Services/ Healthier Kids Fund – some of these services are administrative, such as MOSAA, and others would be direct service and could potentially be used to certify and match additional funding for children's Medicaid. There may also be cases where services are delivered to parents currently eligible or eligible under an expansion.
- Immunizations – There are DOH state staff and state dollars involved in this program that could be certified for Medicaid match.
- Substance abuse treatment services – Funds in DOH contracted out to community providers could be used to match Medicaid.
- HIV/AIDS services – state dollars distributed throughout the state to contracted providers, with some state staff involvement.
- Other DOH Programs – including Tuberculosis, Cancer Detection, STDs, and Emergency Transportation
- School based health and mental health programs – both administrative and direct service dollars could be leveraged.
- CYFD adolescent sexual offenders unit – should be analyzed for its costs and potential leveraging in comparison to the adolescent sexual offenders facility funded under DOH.

Programs at the State Department of Public Education that could serve as potential match include funding for school health and nutrition contract programs and staff. There are several bills in the current Legislative session dealing with increased appropriations for school nurses, Medicaid in the Schools program improvements, and including school nurses as Medicaid reimbursable.

BD/njw