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FISCAL IMPACT REPORT

ORIGINAL DATE 01/22/13
 LAST UPDATED 03/13/13 HB _____

SPONSOR Ortiz y Pino

SHORT TITLE Monthly Medicaid Benefits Explanations SJM 4/aSFI#1

ANALYST Trowbridge/Chabot

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
\$0.0	\$0.0	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Health and Human Services Department (HSD)

SUMMARY

Synopsis of Senate Fl#1

Senate Floor Amendment Number 1 to Senate Joint Memorial 4 adds the following resolution: “BE IT FURTHER RESOLVED that Medicaid recipients who choose not to receive these explanations of benefits be provided a mechanism for opting out of receiving the explanations of benefits.”

Synopsis of Original Bill

Senate Joint Memorial 4 (SJM 4) requests that the Human Services Department (HSD), Medical Assistance Division (MAD) require its Managed Care Organizations (MCO) to provide monthly explanations of medical benefits (EOMBs) to encourage personal responsibility and to detect fraud and abuse in the Medicaid program. Verification of services on a regular basis allows recipients to verify services received and report services incorrectly recorded or not received, assisting in the detection of fraud and abuse.

FISCAL IMPLICATIONS

SJM 4 does not include an appropriation.

SIGNIFICANT ISSUES

New Mexico meets the requirements of 42 CFR § 455.20 by sending EOMBs to Fee For Service (FFS) Medicaid beneficiaries and also requires the contracted Managed Care Organizations (MCOs) to have policies, procedures and an EOMB process for verifying whether billed services were received for managed care beneficiaries.

HSD/MAD executed a Letter of Direction (LOD) to MCOs in September of 2010 requiring an EOMB process. EOMBs and the process for verification of receipt of billed services with beneficiaries were implemented by MCOs. In addition, contract amendments and a LOD to the seven (7) contracted MCOs were executed to clarify the requirement to comply with all program integrity provisions of the Patient Protection and Affordable Care Act (PPACA) in April 2012.

PERFORMANCE IMPLICATIONS

None. Medicaid MCOs currently comply with federal requirements to send Explanations of Medical Benefits (EOMBs) to Medicaid beneficiaries to verify receipt of billed services.

OTHER SUBSTANTIVE ISSUES

Medicaid MCOs are currently sending EOMBs to Medicaid beneficiaries to verify receipt of billed services.

TT/blm