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HOUSE BILL 592

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

J. Paul Taylor

FOR THE LEGISLATIVE HEALTH SUBCOMMITTEE

AN ACT

**RELATING TO HEALTH; EXPANDING MEDICAID COVERAGE FOR CERTAIN
CUSTODIAL PARENTS; REQUIRING CONSULTATION WITH THE
LEGISLATURE; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978;
MAKING AN APPROPRIATION.**

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**Section 1. Section 27-12-3 NMSA 1978 (being Laws 1998,
Chapter 52, Section 3) is amended to read:**

"27-12-3. DEFINITIONS. --As used in the Child Health Act:

**A. "child" means a natural person who has not
reached his nineteenth birthday;**

**B. "department" means the human services
department;**

**C. "earned income" includes cash or payment in
kind that is received as wages from employment or payment in**

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1 lieu of wages; earnings from self-employment or earnings
2 acquired from the direct provision of services, goods or
3 property, production of goods, management of property or
4 supervision of services; and other income not classified as
5 unearned income;

6 ~~[C-]~~ D. "low-income children and their families"
7 means a family with a dependent child with income at or below
8 the level specified in Section ~~[6 of the Child Health Act]~~
9 27-12-6 NMSA 1978; [and

10 ~~D-]~~ E. "secretary" means the secretary of human
11 services; and

12 F. "unearned income" includes old age, survivors
13 and disability insurance; railroad retirement benefits;
14 veterans administration compensation or pension; military
15 retirement; pensions, annuities and retirement benefits; lodge
16 or fraternal benefits; shared shelter payments; settlement
17 payments; individual Indian money; and similar kinds of
18 income. "

19 Section 2. A new section of the Child Health Act is
20 enacted to read:

21 "[NEW MATERIAL] COVERAGE FOR PARENTS--INCOME DISREGARDS--
22 CONSULTATION WITH THE LEGISLATURE.--

23 A. Subject to the availability of state and
24 federal matching funds pursuant to Title 21 of the federal
25 Social Security Act, a custodial parent of a medicaid-eligible

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1 child is eligible for medicaid if the parent's earned income
2 is below one hundred percent of the federal poverty
3 guidelines.

4 B. The department shall determine the parent's
5 earned income by subtracting one hundred twenty dollars (\$120)
6 and one-third of the remainder from the custodial parent's
7 earned income, or from each parent's earned income in a two-
8 parent family if at least one of them is the custodial parent.
9 Liquid and non-liquid assets owned by the parents shall not be
10 counted in the eligibility determination.

11 C. The department, after consultation with the
12 legislature or, when it is not in session, with the
13 legislative finance committee and the legislative health and
14 human services committee, may establish different income
15 disregard standards than those provided for in Subsection B of
16 this section for recipients and applicants if the cost of the
17 expanded coverage for certain custodial parents creates
18 budgetary limitations or pressures. "

19 Section 3. APPROPRIATION. -- Five million three hundred
20 twenty-two thousand six hundred dollars (\$5,322,600) is
21 appropriated from the tobacco settlement program fund to the
22 human services department for expenditure in fiscal year 2002
23 to match the federal state children's health insurance program
24 funds to expand medicaid coverage to certain custodial parents
25 of medicaid-eligible children. Any unexpended or unencumbered

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balance remaining at the end of fiscal year 2002 shall revert
to the tobacco settlement program fund.

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