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FISCAL IMPACT REPORT

SPONSOR: Lujan DATE TYPED: 03/6/01 HB CS 94/aHJC
 SHORT TITLE: Health Services Gross Receipts Deduction SB _____
 ANALYST: Eaton

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	\$ (244.0)	\$ (265.0)	Recurring	General Fund
	\$ (193.0)	\$ (210.0)	Recurring	Local Govt.

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of the HJC Amendment

In section five, which specifies responsibilities of CYFD, the phrase “to determine if the infant has been abused or neglected” was deleted. Determining if abuse or neglect has occurred is a requirement of the act Abuse and Neglect Act.

Synopsis of Original Bill

This bill amends a section of the gross receipts and compensating tax act to provide for a deduction of gross receipts from payments by third party administrators of the federal TRICARE program (10 U.S.C. 1072 (7)). TRICARE is a managed care health insurance similar to the state's SALUD program for Medicaid recipients, or various managed care private insurance programs. Three types of Tricare are available to active duty military, military retirees and their families. Roughly 3.9% of the state's population is covered by TRICARE.

FISCAL IMPLICATIONS

The Taxation and Revenue Department estimates that this bill’s full year impact will reduce general fund revenue by \$265.0 and local government revenues by \$210.0. TRD adds that if more practitioners such as nurses, dentists, podiatrists and other licensed health care practitioners participate in TRICARE the bill would increase the general fund and local government impact by about 74%.

OTHER SUBSTANTIVE ISSUES

The following table of costs was provided by TRD.

	TRICARE Prime	TRICARE Extra	TRICARE Standard (Standard CHAMPUS)
Annual Deductible Individual/Family	None	\$150/\$300	\$150/\$300
Annual Enrollment Fees Individual/Family	\$230/\$460	None	None
Civilian Provider copays: Outpatient Visit Emergency Care Mental Health Visit	\$12 \$30 \$25	20% of negotiated fee	25% of allowable charges
Civilian Inpatient Cost Share	\$11 per day (\$25 minimum)	\$250 per day or 25% of hospital billed charges; plus 20% professional fees	\$390 per day or 25% of hospital billed charges; plus 25% of professional fees
Civilian Inpatient Mental Health	\$40 per day	20% of institutional and professional charges	\$144/day or 25% of institutional and professional charges

JBE/ar/njw