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FISCAL IMPACT REPORT



SPONSOR: Madalena DATE TYPED: 1/30/02 HB HJM 19

SHORT TITLE: NM Tribal Health Care Alliance SB _____

ANALYST: Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		\$0.1 See Fiscal Narrative			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From

Human Services Department (HSD)
Public Regulations Commission (PRC)

SUMMARY

Synopsis of Bill

House Joint Memorial 19 requests the Human Services Department (HSD), the Insurance Division of the Public Regulation Commission and other state agencies to support and expedite establishment of the New Mexico Tribal Health Care Alliance as a licensed Managed Care Organization (MCO) for the delivery of quality health care to American Indians eligible for Medicaid services.

Significant Issues

HSD states that the process for licensure of the alliance as an MCO is already underway, wherein HSD has supported and assisted the alliance in its effort to become an MCO.

The PRC reports that is not clear whether the Alliance is a non-profit or for-profit entity and that the Insurance Division cannot "negotiate" a license. Applicants for a license must meet all statutory requirements of the Insurance Code.

FISCAL IMPLICATIONS

The bill does not contain an appropriation. However, if the alliance is successful in becoming a MCO, it is unknown what this would do in terms of costs to the Medicaid program. It is possible that the addition of this MCO could be cost-neutral, in that HSD already covers health services to these American Indian clients either through the departments MCO program or through the Medicaid fee-for-service program.

ADMINISTRATIVE IMPLICATIONS

Several members of HSD staff have been working with alliance staff and representatives since the spring of 2001 in an effort to assist the alliance in becoming an MCO. This has required HSD staff attendance at meetings, technical assistance, arranging for alliance receipt, review of Salud related documents and compiling data for the alliance and its actuaries. This level of staff assistance would be expected to increase, as much as a .25 Full Time Equivalent (FTE), when the alliance moves toward licensure as an MCO.

PRC states that the Insurance Division may be called upon to assist the Alliance at a level not ordinarily offered to applicants for license as an insurer.

TECHNICAL ISSUES

The memorial does not provide for a “feed back” mechanism to the legislature on progress achieved towards the licensure of the alliance as an MCO.

OTHER SUBSTANTIVE ISSUES

There was concern expressed by HSD pertaining to the reference in HJM 19 to “Salud Medicaid Program mandates specific to the American Indian population of New Mexico”. HSD explains that Managed care contracted organizations must meet significant requirements that are specific to all Medicaid clients, which includes Native American clients.

POSSIBLE QUESTIONS

What progress has been achieved towards the licensure of the alliance as an MCO?
Has a time frame been established?

BD/njw