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## FISCAL IMPACT REPORT

SPONSOR Trujillo DATE TYPED 2/3/04 HB 350

SHORT TITLE Low-Income Household Medicaid Eligibility SB \_\_\_\_\_

ANALYST Weber

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	Significant See Fiscal Implications Below		Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

### SUMMARY

#### Synopsis of Bill

House Bill 350 adds a Medicaid eligibility category to Section 27-2B-15 NMSA 1978. The additional section states “to the extent that existing benefits and eligibility are not reduced, a member of a benefit group who is over the age of eighteen and the benefits group’s income is below one hundred percent of the federal poverty guidelines or a person who is over the age of eighteen and the income of the household in which the person lives is below one hundred percent of the federal poverty guidelines”.

#### Significant Issues

HSD reports there is no federal Medicaid category that allows Medicaid coverage for adults whose income is below one hundred percent of federal poverty guidelines or who are living in a household with an income below one hundred percent of federal poverty guidelines. Currently the state covers adults under JUL Medicaid if their gross income is below 85% FPL and their household includes dependent children.

State coverage of this new group would not be eligible for federal Medicaid Title XIX financial participation. In order to cover these individuals, the state would have to be granted a Medicaid waiver.

Currently, Medicaid Title XIX in New Mexico does have coverage for individuals above age 19 with dependent children with a gross income below 85% of federal poverty guidelines through the JUL Medicaid program.

**FISCAL IMPLICATIONS**

HSD estimates there are approximately 142,000 uninsured New Mexico individuals age 19 and over at less than 100% FPL. If all were covered under this new category, the total cost would be \$528 million annually. If a Medicaid waiver is obtained, the general fund requirement is \$95 million or more depending on the conditions of the waiver. Without the waiver, the entire \$528 million would be general fund.

**OTHER SUBSTANTIVE ISSUES**

New Mexico already has the State Coverage Initiative waiver that will potentially fund this population. A general fund appropriation would be required.

**MW/yr:njw**