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## FISCAL IMPACT REPORT

SPONSOR Feldman DATE TYPED 02/05/05 HB \_\_\_\_\_

SHORT TITLE Oppose Federal Medicaid Spending Caps SB SJM 1

ANALYST Weber

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Human Services Department (HSD)

### SUMMARY

#### Synopsis of Bill

Senate Joint Memorial 1 requests the New Mexico congressional delegation to support the opposition of any Medicaid reform proposal that seeks to impose a cap on federal Medicaid spending in any form.

#### Significant Issues

In New Mexico twenty-two percent of the population is on Medicaid and enrollment and expenditures continue to grow. It is projected that \$570,000,000 in state general funds will be required to operate the Medicaid program in New Mexico in SFY '06, with no expansions.

Medicaid is an entitlement program. At present, the federal government matches state general fund expenditures in each state, the amount of which is dependent upon the state's per capita income status relative to other states. For SFY '06, the federal match rate is approximately 72%. As an entitlement program, the state is assured of receiving sufficient federal dollars to meet its expenditures.

**Senate Joint Memorial 1 -- Page 2**

Should the federal government “block grant” or “cap” the amount of dollars it provides to each state to operate its Medicaid program, the state, potentially, would be unable to leverage sufficient federal dollars to operate the program at current levels

**MW/njw**