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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/06

SPONSOR Komadina LAST UPDATED HB

SHORT TITLE INCREASE CERTAIN MEDICAID PAYMENTS SB 48

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$750.0	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

SUMMARY

Senate Bill 48 appropriates \$750 thousand from the general fund to the Human Services Department for the purpose of increasing reimbursement for obstetrical services in the Medicaid program to ensure access to these services and to offset the cost of medical malpractice practice insurance.

FISCAL IMPLICATIONS

The appropriation of \$750 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 shall revert to the general fund.

SIGNIFICANT ISSUES

With over 50 percent of New Mexico births reimbursed through the Medicaid program, doctors in this specialty have limited opportunity to participate in private insurance or other higher payment methodologies. The generally lower reimbursement rates offered by Medicaid coupled with the relatively elevated malpractice costs associated with the high-risk of obstetrics create a disproportionate financial burden on this group. The current version of the General

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Appropriations Act includes approximately \$5 million from the general fund for distribution among all providers in the Medicaid program.

MW/mt