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FISCAL IMPACT REPORT

	ORIGINAL DATE 1-27-06		
SPONSOR Ryan	LAST UPDATED 2-06-06	HB	
SHORT TITLE YOUTH	EXTEND MEDICAID ELIGIBILITY TO CERTAIN	SB	272/a SPAC
		ANALYST	Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$136.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)
 Human Services Department (HSD)
 Indian Affairs Department (IAD)

SUMMARY

Synopsis of SB272/a SPAC

The Senate Public Affairs Committee amended SB272 as follows:

1. Page 3, lines 4 and 5 strikes “fifty-four thousand five hundred forty-seven dollars (54,547)” and replaces it with “One hundred thirty-six thousand dollars (\$136,000)”

The amendment increases the dollar amount to \$136.0. The amendment allows for full compliance with recommendations made by the Youth Advisory Panel to continue Medicaid eligibility and coverage to age 21 for the approximate 100 youth who emancipate from the foster care system each year. The amendment does not change the administrative or performance implications for the department.

Approximately 100 – 120 children age out of CYFD Foster Care each year. Once a child turns age 18 he is no longer eligible for foster care; however, this individual could be placed on category 032 Medicaid for one additional year. This bill extends Medicaid eligibility for three additional years from his 19th birthday until age 21 years. The average capitation for this population is \$415/mo/individual. This equates to \$4,980/yr/individual in capitation fees alone. The first year, assuming 100 children turn age 19, the capitation (Title XIX) expenditure could be in the

neighborhood of \$498,000. The amount of appropriation is insufficient to meet the costs of this expansion. The State portion of the cost would be \$136,000.

The Federal Government, Administration for Children and Families (ACF) encourages states to extend Medicaid to former foster youth between ages 18-21 who are emancipating from foster care. Approval of a State Plan Amendment from the Centers for Medicare and Medicaid Services would be necessary to cover this expanded age group of CYFD children.

Synopsis of Original Bill

Senate Bill adds language to the Medicaid Eligibility Law extending eligibility to youth aged eighteen to twenty-one who are eligible for independent living services from the Children, Youth and Families Department. The bill appropriates \$54.5 general fund to the Children, Youth and Families Department for expenditure in FY07 to provide coverage for Medicaid benefits for youth aged eighteen to twenty-one who are eligible for independent living services.

Senate Bill 272 appropriates \$54,547 from the general fund to Children, Youth and Families Department for the purpose of extending eligibility to youth aged eighteen to twenty-one who is eligible for independent living services from the Children, Youth and Families Department.

FISCAL IMPLICATIONS

Children, Youth and Families Department contributed the following:

Approximately 100 – 120 children age out of CYFD Foster Care each year. Once a child turns age 18 he is no longer eligible for foster care; however, this individual could be placed on category 032 Medicaid for one additional year. This bill extends medicaid eligibility for three additional years from his 19th birthday until age 21 years. The average capitation for this population is \$415/mo/individual. This equates to \$4,980/yr/individual in capitation fees alone. The first year, assuming 100 children turn age 19, the capitation (Title XIX) expenditure could be in the neighborhood of \$498,000. The amount of appropriation is insufficient to meet the costs of this expansion. The State portion of the cost would be \$136,000.

SIGNIFICANT ISSUES

The Human Services Department contributes:

Approximately 100 – 120 children age out of CYFD Foster Care each year. Once a child turns age 18 he is no longer eligible for foster care; however, this individual could be placed on category 032 Medicaid for one additional year. This bill extends Medicaid eligibility for three additional years from his 19th birthday until age 21 years. The average capitation for this population is \$415/mo/individual. This equates to \$4,980/yr/individual in capitation fees alone. The first year, assuming 100 children turn age 19, the capitation (Title XIX) expenditure could be in the neighborhood of \$498,000. While not a recurring appropriation, any rate increase would need to become part of the Medicaid base budget unless rates were to be decreased the following year. This impact has been represented in the Estimated Additional Operating Budget Impact and has been identified as recurring expenses and thus would require appropriation in FY08 and future years.

The amount of appropriation is insufficient to meet the costs of this expansion.

The appropriation of \$54.5 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2007 shall revert to the general fund.

The CYFD Independent Living Services includes NM Tribal Youth ages 16-21 in their services. CYFD works with the following resources for placement: Intermountain Centers Human Development Youth Center; Youth Development, Inc (YDI); Project Hope; Family Workshop; Casa San Jose/ Agency of Catholic Charities of Gallup, Inc., Southwestern Advocates 4 Kids; Family & Youth Inc.; and Guidance Center of Lea County , Inc. All these programs include Tribal Youth, 16-21 years of age, and accept statewide referrals. They help youth who are involved with Protective Services and/or Juvenile Justice Services, and youth who are at risk of involvement, statewide. Their service components include: Independent Living Skills Screening and Assessment; Individualized Transitional Living Plans; Mentoring Program; Individual and Group Life Skills Curriculum and Instruction; Individual and Group Counseling; Client Support Services; Case Management Services. (CYFD Independent Living Services Resource Manual, July 2005)

ADMINISTRATIVE IMPLICATIONS

CYFD would absorb any associated administrative costs.

TECHNICAL ISSUES

Indian Affairs Department contributed the following:

New Mexico is home to over 190,000 people who identify themselves as American Indian/ Alaska Native including those from 19 pueblos, 2 Apache Nations, and the Navajo Nation. American Indian people in New Mexico are served by two Indian Health Service (I.H.S.) areas; Albuquerque Area I.H.S. and the Navajo Area I.H.S.. The NM portion of the Albuquerque Area I.H.S. includes the 19 Pueblos, 2 Apache nations, and 3 Navajo chapters (Alamo, Ramah and To'Hajiilee). The NM portion of the Navajo Area I.H.S. includes the Navajo reservation in New Mexico, excluding the 3 chapters in the Albuquerque Area. The tribes in New Mexico are culturally unique and sovereign governments. (New Mexico American Indian Health Status, New Mexico Epidemiology, Nov. 25, 2005, Vol. 2005, No. 12).

Changes in the structure of Medicaid are of particular importance in tribal health issues because it provides supplemental funding for tribal health care including AI/AN youth. (Tribal Consultation Report – draft, Nov. 17-19 2005, New Mexico Health and Human Services Tribal Consultation Meeting).

OTHER SUBSTANTIVE ISSUES

The Federal Government, Administration for Children and Families (ACF) encourages states to extend Medicaid to former foster youth between ages 18-21 who are emancipating from foster care. Approval of a State Plan Amendment from the Centers for Medicare and Medicaid Services would be necessary to cover this expanded age group of CYFD children.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The large proportion of New Mexico's population identified as American Indian and Alaskan Native youth, ages 18-21, would not benefit from Transitional Living Services including access to service components like: Independent Living Skills Screening and Assessment; Individualized Transitional Living Plans; Mentoring Program; Individual and Group Life Skills Curriculum and Instruction; Individual and Group Counseling; Client Support Services; Case Management Services.

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