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FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/07

SPONSOR Varela LAST UPDATED _____ HB HJM 17

SHORT TITLE Medicaid Recertification Quality Control SB _____

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HJM 4, SJM 20

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Joint Memorial 17 requests the Human Services Department to implement a quality control mechanism for its Medicaid recertification procedures, particularly related to the automatic closure process. Automatic closure is a computer default so a Medicaid case that is not updated by a caseworker by a specified date is electronically closed without action by the caseworker. The quality control mechanism should include tracking the number of cases closed and subsequently reinstated, providing an analysis of why Medicaid recipients are terminated from the program, and performing a "point in time" tracking of the number of people enrolled in Medicaid. Further, HSD is requested to implement performance measures that include the quality of Medicaid recertification procedures and the percentage of eligible New Mexicans receiving Medicaid.

HSD is asked to report on the results of its efforts to the Legislative Health and Human Services Committee in November 2007 and again November 2008.

FISCAL IMPLICATIONS

HSD does not identify any fiscal implications. However, DFA estimates a cost of approximately \$70 thousand annually with half paid by the state and half by federal Medicaid funds to support one full time FTE.

SIGNIFICANT ISSUES

DFA notes that by federal law, Medicaid eligibility must be recertified at least once every twelve months. Currently, in New Mexico the recertification period is the federal maximum of 12 months. At least 45 days prior to the end of a twelve month certification, HSD sends the required recertification paper work to the Medicaid recipient asking that the documents be returned within fifteen days.

Two events generally cause a Medicaid case to be closed during the recertification process. Either the person being recertified does not respond or the response comes so late in the cycle the case worker assigned to the case cannot finish the necessary paperwork by the close of the twelve month period. There are many reasons why individuals may not respond; they have moved, they do not wish to re-apply, they have died, etc. HSD has no realistic way of knowing why an individual does not respond.

DFA continues that developing a quality control/ tracking system to determine why people drop off the program simply is not feasible because more often than not, the "why" is simply not identifiable. HSD performs extensive outreach to assure as much as possible that all individuals eligible for Medicaid receive the services they need, but there simply is not much more the agency can do to identify why people drop through the cracks. Only if the individual eventually re-applies for certification will HSD be able to determine why there was a gap in enrollment.

HSD offers a similar response.

OTHER SUBSTANTIVE ISSUES

A recent case was filed in United State District Court for the District of New Mexico regarding the apparent same issues related to the HSD Medicaid re-certification process, specifically auto closure. On September 29, 2006 the case against HSD was dismissed in its entirety and left existing re-certification procedures, including automatic closure, intact.

MW/nt