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FISCAL IMPACT REPORT

ORIGINAL DATE 02/21/07

SPONSOR Ortiz y Pino LAST UPDATED _____ HB _____

SHORT TITLE Medicaid and Children's Insurance Interpreters SB 1017

ANALYST Weber

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		431.1	431.1	862.2	Rec	State General
		1,068.9	1,068.9	2,137.8	Rec	Federal Matching

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Bill 1017 requires the Human Services Department (HSD) to provide interpreter services for a Medicaid client or state children's health insurance (SCHIP) client when the need is demonstrated, provided that funds are available under state and federal law for such services.

FISCAL IMPLICATIONS

HSD reports the fiscal impact could be significant and can vary greatly depending on the Medicaid rules for reimbursement. Because of such variability, many states have initiated programs on a pilot basis to lessen the possibility of higher than anticipated expenditures. A few examples of other states' expenditures are:

- Language Lines, a "phone in" service, range from approximately \$1.10 to \$2.50 per minute. States using only language lines had the lowest costs.
- Washington (state) spends more than \$9 million annually on interpretation services for a recipient base of approximately 350,000.
- Minnesota spends approximately \$1.5 million annually for their fee for service program with a recipient base of approximately 400,000.

HSD used Minnesota as a model to estimate the costs for New Mexico reported above.

SIGNIFICANT ISSUES

HSD continues that many federally funded providers are already required to supply interpreters. In 1964, when Congress passed Title VI of the Civil Rights Act, prohibiting discrimination, the federal Department of Health and Human Services (HHS) and the courts applied this statute to protect national origin minorities who are not proficient in English. Therefore, recipients of federal funding must take reasonable steps to ensure that people with limited English proficiency have meaningful access to their programs and services.

The HHS guidance describes various options available for oral language assistance, including the use of bilingual staff, staff interpreters, contracting for interpreters, using telephonic interpretation services, and using community volunteers.

In 2000, the Centers for Medicare and Medicaid Services (CMS) acknowledged that state Medicaid and SCHIP programs could include language services as an administrative or optional covered service in their Medicaid and State Children's Health Insurance programs.

Currently, 13 states plus the District of Columbia are providing reimbursement through Medicaid. Variations among the states are numerous:

- Reimbursement to the medical provider after the provider incurs the cost
- Reimbursement directly to the interpreter after provider certifies the service was used
- Limiting services to a "language" line
- Limiting reimbursement to emergency and similar situations
- Not paying when the interpreter is an employee of, or related to, the provider.
- Treating the reimbursement as an administrative expense (9 states) which means a maximum of 50% federal match
- Treating the reimbursement as a direct service (4 states) receiving standard state federal match which for New Mexico is approximately 71.26% federal funding.

If covered as an administrative cost, the Medicaid Program would have more flexibility in limiting the service to situations where translator services may not be otherwise available. If covered as a direct service, the federal matching rate would be approximately 71.26% but the service would have to be covered in almost all situations where an interpreter is used, thereby increasing costs significantly.

It may not be possible to obtain federal approval by August 30, 2007.

Some states who do not reimburse for interpretive services cite that language services are part of the providers' costs of doing business, and bundle the cost of language services into the providers' general reimbursement rates, regardless of the providers' actual costs.

For refugee and asylum populations in New Mexico, medical interpretive services are available through the Refugee Health Program, administered through the Department of Health.