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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/05/08

SPONSOR Martinez, R LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE County Inmate Health Provider Reimbursement SM 48

ANALYST Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$0.1 (see narrative)				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Corrections Department (NMCD)  
 Health Policy Commission (HPC)  
 Department of Health (DOH)  
 Department of Finance & Administration (DFA)

### SUMMARY

#### Synopsis of Bill

Senate Memorial 48 requests HPC to convene a task force to study health care provider reimbursement for health care delivered to individuals in the custody of county detention facilities.

The Memorial provides for the following:

- County detention facilities provide health care, including mental health care, to individuals in the custody of county detention facilities.
- County detention facilities experience serious difficulties in obtaining fair rates from health care providers.
- The problem of obtaining fair health care provider rates is exacerbated by the fact that individuals in custody automatically lose Medicaid eligibility upon entry into the county detention system.
- The inability of county detention facilities to secure affordable health care provider rates limits the ability of county governments to be appropriately accountable to local taxpayers for these costs.

- The New Mexico association of counties seeks to implement policy that would require health care providers that receive any state taxpayer money to charge county detention facilities at the same reimbursement rates they charge for Medicaid or any other state program in which the providers participate.

The Memorial further provides that the task force present recommendations to the legislative health and human services committee by November 1, 2008.

## **FISCAL IMPLICATIONS**

Agencies will be required to provide staff to participate on the task force.

The New Mexico Association of Counties seeks to implement policy requiring health care providers receiving state taxpayer money to charge county detention facilities at the same reimbursement rates they charge for Medicaid or any other state program in which the providers participate.

## **SIGNIFICANT ISSUES**

The New Mexico association of counties considers this to be a priority issue.

The task force is charged with developing recommendations for health care provider reimbursement for health care delivered to individuals in county detention facility custody. HPC notes that county detention facilities experience serious difficulties in obtaining fair rates from health care providers. This problem is exacerbated by the fact that individuals in custody automatically lose Medicaid eligibility upon entry into the county detention system.

## **PERFORMANCE IMPLICATIONS**

DOH reports that county governments have a responsibility for providing health care to the inmates of their correctional facilities. Recent court cases, including a key one in Santa Fe, have highlighted the failure of some county governments to meet this responsibility. A Santa Fe New Mexican article, dated August 27, 2007, quoted a study report which indicated that conditions at the Santa Fe County jail hadn't improved enough to meet U.S. Department of Justice standards. Medical care at the jail had "deteriorated significantly" since August 2006, access to mental-health care had improved but remained sub par and short staffing is a persistent problem. This is indicative of the situation at several other county facilities.

## **ADMINISTRATIVE IMPLICATIONS**

The New Mexico health policy commission will be required to convene a task force consisting of representatives from the New Mexico association of counties, the department of health, the human services department, health care providers who provide care to county detention facility inmates, the corrections department, the New Mexico medical society and the New Mexico primary care association.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SM48 relates to SB272 and SB385

SB272 sets health care provider reimbursement rates for health care, including mental health care, delivered to persons in the custody of a county jail. The bill requires a Medicaid provider to charge at the same rate that the provider charges the Human Services Department for Medicaid recipients. The bill further requires a non-Medicaid provider who accepts reimbursement from the state for a patient's care to charge the county at the highest rate that the state reimburses the provider for the same care pursuant to another program.

SB385 also sets health care provider reimbursement rates for health care, including mental health care, delivered to persons in the custody of a county jail. However, the bill provides that a county shall reimburse a Medicaid and non-Medicaid provider at the lowest rate for county jail health care services.

### **TECHNICAL ISSUES**

The memorial does not request representation from the Children, Youth and Families Department which is involved with juvenile detention through the Juvenile Justice Services Division; or, the Statewide Entity for behavioral health, which could help address issues on behavioral health provider rates and requirements.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

DFA notes that counties will continue to pay high health care rates for the care delivered to persons in the custody of a county jail facility.

AHO/bb