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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/09

SPONSOR Picraux LAST UPDATED \_\_\_\_\_ HB 222

SHORT TITLE Continue Children's Medicaid Enrollment SB \_\_\_\_\_

ANALYST Earnest

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$10,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	\$25,000.0		Recurring	Federal Medicaid

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Human Services Department (HSD)

### SUMMARY

#### Synopsis of Bill

House Bill 222 appropriates \$10 million from the general fund to Human Services Department to continue enrollment of all eligible children in Medicaid and to support the goal of all children in the state having insurance coverage.

### FISCAL IMPLICATIONS

The appropriation of \$10 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

Ten million dollars of general fund could be matched with approximately \$25 million in federal Medicaid revenue. As HSD indicates, if some of the funds are used for children in the State Children's Health Insurance Program (SCHIP) the federal amount could be slightly higher.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

## **SIGNIFICANT ISSUES**

According to HSD, as of September 2008, total enrollment (including all HSD/Medical Assistance programs) was just over 490,000 and the number of children was just over 300,000. The bill does not include specific enrollment targets. If the Legislature did include specific enrollment targets tied to any of its appropriations to Medicaid, there would likely need to be trade-offs with the level of the Medicaid benefit, provider reimbursement, or both. At any time that there is insufficient funding to meet the total Medicaid projection, decisions must be made about making programmatic changes in one or more of these three areas – enrollment, benefits, and reimbursement.

During the August 2008 special session, the Legislature appropriated \$20 million for enrollment of children eligible for Medicaid and SCHIP. LFC and HSD estimated the funding would provide health coverage to 17,000 to 19,000 more children.

HSD has estimated more than 425,000 New Mexicans are uninsured. Some 96,000 of these are children.

BE/mc