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## FISCAL IMPACT REPORT

ORIGINAL DATE 03/09/09

SPONSOR Feldman LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Review Health Dept. Program Administration SM 70

ANALYST Haug

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

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$5.0			Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

None

### SUMMARY

#### Synopsis of Bill

Senate Memorial 70 requests the Interim Legislative Health And Human Services Committee to form a task force consisting of legislators, community representatives, Human Services Department staff and Legislative Finance Committee staff to make recommendations and review the performance of the human services department with respect to configuring the Medicaid, State Coverage Insurance and State Children's Health Insurance programs.

The task force is charged with:

- making recommendations to increase enrollment and maximize resources provided by the federal government,
- selecting and implementing new eligibility and coverage policies and administrative practices
- reporting data on enrollment and retention.

The task force would be jointly led by the chair of the Interim Legislative Health And Human Services Committee and a co-chair of the Legislative Finance Committee, or their designees. Membership would include the chairs of the standing House Health And Government Affairs Committee, the House Appropriations And Finance Committee, the Senate Public Affairs Committee and the Senate Finance Committee, or their designees; the Secretary Of Human

Services or the Secretary's designee; the Director of The Medical Assistance Division of the Human Services Department; the Director of the Income Support Division of the Human Services Department; and representatives of at least five nonprofit community or advocacy organizations that represent medicaid recipients and have policy expertise on these matters as selected by the chair and vice chair of the legislative health and human services committee.

The Human Services Department would supply the appropriate staff and information requested by the task force to assist its analysis of the new federal laws with meetings beginning on a regular basis from April 2009 through March 2010.

### **FISCAL IMPLICATIONS**

\$5.0 thousand is estimated for staff support costs for the Human Services Department.

### **SIGNIFICANT ISSUES**

The federal Children's Health Insurance Program Reauthorization Act of 2009 significantly increases federal funding, grants and bonuses to states for enrolling children into medicaid and the state children's health insurance program.

The federal American Recovery and Reinvestment Act of 2009 enhances the federal medical assistance percentage rate for state expenditures on medicaid.

New Mexico has the second highest uninsured rate in the nation.

Almost fifty thousand New Mexico children who are estimated to be eligible for medicaid and the state children's health insurance program are not enrolled.

Approximately one hundred ninety thousand eligible adults are not enrolled in Medicaid or the State Coverage Insurance Program.

Enrollment in Medicaid has dropped over the last five years for the poorest families in the state while many low-income families continue to be ineligible under the state plan.

The State Coverage Insurance Program for adults discontinued enrollments last year, leaving thousands of people on its waiting list and without health coverage.

More than eighteen thousand people are currently on waiting lists to receive services through the Medicaid Developmental Disabilities And Disabled And Elderly Waivers, while eligible individuals wait years before receiving services.

The recent passage of the Children's Health Insurance Program Reauthorization Act of 2009 and the American Recovery and Reinvestment Act of 2009 substantially increases funding allotments and matching rates to New Mexico, providing critical new opportunities for the state to maximize enrollment in medicaid and the state children's health insurance program, as well as to extend the waiver program for state coverage insurance.

Performance bonuses will be awarded to states that increase enrollment by implementing administrative practices that are designed to reduce enrollment barriers and streamline the renewal process, providing the state with opportunities to implement new practices that would ensure that eligible New Mexicans can enroll and receive benefits.

Additional grants will be awarded to states and community organizations that conduct outreach campaigns to reach underserved children.

The state will be required under the Children's Health Insurance Program Reauthorization Act of 2009 to report data annually on the enrollment of children in medicaid and the state children's health insurance program, including data on eligibility criteria, enrollment and retention, and denials and redeterminations of eligibility.

New provisions in the federal laws allow for the state to expand eligibility for children, women, families and adults in medicaid and the state children's health insurance program.

The state must make critical decisions that will affect eligibility policies, budgeting, administrative practices and outreach and enrollment.

Public input would enhance the decision-making process for determining how the medicaid and other state-administered health insurance programs should allocate funds, select coverage options, implement new administrative practices and target outreach.

The state must act within fixed time frames over the year to submit applications and amend its state plan to implement options in medicaid and the state children's health insurance program, and to extend the waiver program for state coverage insurance.

The state must act immediately to ensure that it receives federal allotments, grants and bonuses before such funds are exhausted.

GH/svb