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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/26/15

SPONSOR Armstrong LAST UPDATED \_\_\_\_\_ HB 505

SHORT TITLE Foster Care Coverage for Certain People SB \_\_\_\_\_

ANALYST Boerner

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

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>			See Fiscal Implications	See Fiscal Implications	See Fiscal Implications	Recurring

(Parenthesis ( ) Indicate Expenditure Decreases)

LFC Files

Duplicate to SB139.

#### Responses Received From

Human Services Department (HSD)  
Children, Youth, and Families Department (CYFD)

### SUMMARY

#### Synopsis of Bill

This bill requires HSD to provide Medical assistance coverage to people who are former foster care recipients, regardless of which state provided the care, until such people reach 26 years of age.

### FISCAL IMPLICATIONS

Under Medicaid expansion, effective January 1, 2015, New Mexico receives 100 percent federal matching dollars for the new adult Medicaid expansion group through calendar year 2016, 95 percent in calendar year 2017, and gradually stepping down to 90 percent in calendar years 2020 and beyond. Foster care recipients (regardless of which state provided the care) meeting the new, broader Medicaid eligibility standards would be covered by federal dollars accordingly.

Under a State Plan Amendment to the Centers for Medicare and Medicaid Services (CMS) and a rule change, the unknown number of individuals in New Mexico who have aged out of foster care in another state but who do not qualify for Medicaid in New Mexico under any other category could be covered by Medicaid as described in this bill. The federal reimbursement rate

for Medicaid coverage of such individuals would be approximately 70 percent federal and 30 percent state general fund match.

### **SIGNIFICANT ISSUES**

HSD notes the Affordable Care Act requires states to cover former foster care recipients until the age of 26 under Medicaid and that New Mexico opted to limit coverage only to former foster care recipients who received foster care in New Mexico and not from other states. However, under Medicaid expansion, effective January 1, 2015, former foster care recipients from other states ages 19 through 64 with income up to 133 percent of the federal poverty level (up to 138 percent including another 5 percent income disregard) and who meet national citizenship and New Mexico residency requirements are eligible for Medicaid.

Former foster care recipients from other states whose income is above 138 percent and are therefore not eligible for Medicaid, may qualify for subsidies through the Health Insurance Exchange.

Given the broadened availability of Medicaid under the expanded criteria, it may not be necessary for HSD to establish a new section of the Public Assistance Act for former foster care recipients who received that care from a state other than New Mexico.

### **ADMINISTRATIVE IMPLICATIONS**

Implementation of HB 505 would require the HSD to promulgate a rule change and submit a State Plan Amendment to the Centers for Medicare and Medicaid Services (CMS) for the unknown number of individuals in New Mexico who have aged out of foster care in another state but who do not qualify for Medicaid in New Mexico under eligibility requirements for Medicaid expansion.

CEB/bb/je/aml