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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 1/27/2016

**SPONSOR** Sanchez, M. **LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** Study Improvements to Indigent Care System **SM** 37

**ANALYST** Leger

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

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI		NFI*(see fiscal implications)	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the Feed Bill (House Bill 1)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Memorial

Senate Memorial 37 requests the Legislative Finance Committee (LFC) staff to conduct a study on collection, billing, charging and financial assistance practices of all New Mexico hospitals and recommend improvements to the state's indigent care system.

### FISCAL IMPLICATIONS

LFC's operating budget can absorb the costs associated with the proposed study. The study could be included in the LFC's Program Evaluation and analyst work plans that are approved by the committee.

### PERFORMANCE IMPLICATIONS

The mission of the LFC is to provide the Legislature with objective fiscal and public policy analyses, recommendations, and oversight of state agencies to improve performance and to ensure accountability through the effective allocation of resources for the benefit of all New Mexicans. The LFC consistently produces evaluations on a number of policy issues.

LFC evaluated uncompensated care and the state's programs to assist hospitals through the Sole Community Provider Program and the more recent Safety Net Care Pool. Staff was able to analyze cost reporting provided by hospitals participating in these two programs. However, not every hospital in the state is eligible for Safety Net Care Pool funding of uncompensated care. Requesting data from hospitals not participating in the Safety Net Care Pool could pose a challenge to completing the proposed study. LFC staff evaluated the indigent care system on two occasions since the implementation of the Affordable Care Act. The most recent report, published in 2014, found the need for county indigent care programs had greatly diminished with Medicaid expansion in New Mexico. The LFC also issued a report in 2015 on uncompensated care at hospitals in light of expanded health coverage under the Affordable Care Act.

The above mentioned evaluations are available on the LFC website: <http://www.nmlegis.gov/lcs/lfc/lfcprogeval.aspx?Category=Social+Services>.

Staff is directed to present a report and recommendations for improving the state's indigent care system to the LFC and the Legislative Health and Human Services committee by October 1, 2016.

JLL/jle