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FISCAL IMPACT REPORT

ORIGINAL DATE 3/8/17

SPONSOR Louis LAST UPDATED _____ HJM 21

SHORT TITLE High-Quality Health Care to Native Americans SB _____

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Indian Affairs Department (IAD)

SUMMARY

Synopsis of Bill

This bill asks the Human Services Department to conduct a study, in collaboration with health care entities in New Mexico to determine how best to resolve current cost-sharing problems that arise when Native Americans receive care off-reservation.

FISCAL IMPLICATIONS

None noted

SIGNIFICANT ISSUES

In 2015, the federal Centers for Medicare and Medicaid Services (CMS) announced its intent to re-interpret federal statute regarding federal funding for services received by Medicaid-eligible American Indians and Alaska Natives (AI/AN) through facilities of the Indian Health Service (IHS), whether operated by IHS or by Tribes. The new rule interpretation provides for 100 percent federal match (FMAP) for services “received through” IHS/Tribal facilities. The previous interpretation did not generally extend to services provided outside of IHS/Tribal facilities.

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In short, to qualify for 100 percent federal reimbursement, there must be an established relationship between the AI/AN Medicaid beneficiary and the IHS/Tribal facility practitioner; both the IHS/Tribal facility and non-IHS/Tribal provider must be enrolled in the state's Medicaid program as rendering providers; and there must be a written care coordination agreement between the IHS/Tribal facility and the non-IHS/Tribal provider.

To date, the University of New Mexico has entered such an agreement and the state is seeking 100 percent reimbursement from CMS for Medicaid eligible services provided to AI/AN clients under the new agreements. However, HSD has cautioned New Mexico has yet to receive final approval from CMS. The LFC budget recommendation for HSD assumed HSD would continue to encourage these contractual agreements with other applicable facilities.

View the official federal policy guideline here:

<https://www.medicaid.gov/federal-policy-guidance/downloads/sho022616.pdf>

CB/jle