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Medicaid Budget Short

[By Winthrop Quigley](#)

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Weeks after asking legislators to provide health care coverage for everyone, the Richardson administration is trying to overcome a multimillion-dollar Medicaid budget deficit by slowing enrollment growth.

The state legislative session that ended in February added \$14.5 million to the Medicaid budget to offset what the Human Services Department said would be a \$24.5 million shortfall in the fiscal year that ends June 30, leaving a \$10 million deficit. The Medicaid budget for the following fiscal year is \$25.8 million less than the department requested.

State Medicaid officials will try to overcome the current fiscal year's deficit by slowing Medicaid enrollment from 299,000 children by June, which is the number of children the state could afford to cover had legislators approved the entire HSD requires, to 294,000. About 275,000 low-income children and 143,000 low-income adults— most of them disabled or elderly— were enrolled in November 2007, the last month for which HSD has complete data.

"In 2009, we have a much bigger problem," said state Medicaid director Carolyn Ingram. "What we're looking at is trying to flatten out enrollment growth of kids so it's not so steep."

That's an about-face from the department's goal at the beginning of the fiscal year, when the state intended to enroll as many eligible children as possible. The belief was that getting children access to consistent health care reduces costs in the long term.

Instead, efforts to reach families of Medicaid-eligible children to get the kids enrolled will be curtailed.

HSD will also slow growth in State Coverage Insurance, which targets low-income adults.

The department wants to reduce spending on personal in-home care provided to elderly and disabled Medicaid recipients. HSD will try to limit new Medicaid enrollment by disabled and elderly people to emergency cases.

If that does not reduce spending enough, HSD will consider reducing payments to medical providers, Ingram said. "That is not the most favored option," she said. "We just spent two years increasing provider rates."

Finally, HSD will consider reducing Medicaid benefits. One potential target is expenses incurred by a caregiver who accompanies a Medicaid recipient who receives treatment out of state.

Gov. Bill Richardson had asked the 2008 Legislature to enact several provisions designed to expand public programs to cover New Mexicans who could not obtain private coverage. The governor's universal health coverage package failed.

"It is clear from the funding of the Medicaid program that was not an area (the Legislature) could put money toward at this time," Ingram said. "There were other priorities."

One advocacy organization said the most vulnerable group is taking the worst hit.

"The bottom line here is that kids will suffer," said Bill Jordan, policy director of New Mexico Voices for Children. "Their health care will be interrupted. Kids shouldn't be the ones caught in the middle when lawmakers cannot agree on a dollar amount."

Much of the state Medicaid budget of more than \$3 billion is provided by the federal government. However, the state general fund will provide \$711.2 million this fiscal year and \$787.4 million next fiscal year to support Medicaid.

State officials have estimated that 50,000 children who are eligible for Medicaid are not enrolled. HSD has sponsored several efforts to increase enrollment in the past several months.

"We'll definitely be slowing our outreach initiatives," Ingram said. "We won't be running television commercials. We won't be running radio ads." Enrollment efforts instead will focus on finding eligible children at small, low-income school districts, she said.

HSD will continue to support efforts by insurance brokers to sell State Coverage Insurance to employers and their low-income employees, but state officials will stop promoting enrollment through speeches and other events.

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