

**NEW MEXICO STATE CHILDREN'S HEALTH INSURANCE PROGRAM**  
**SECTION 1115 DEMONSTRATION PROJECT**  
**FACT SHEET**

**Name of Section 1115 Demonstration:** New Mexico Medicaid Section 1115  
Demonstration Project

**Award Identification:** #11-W-0012416  
**Date Proposal Submitted:** September 14, 1998  
**Date Proposal Approved:** January 11, 1999  
**Date Implemented:** March 31, 1999

**Date First Amendment Submitted:** July 25, 2000  
**Date First Amendment Approved:** November 3, 2000  
**First Amendment Effective Date:** July 1, 2000

**Date Second Amendment Submitted:** January 11, 2002  
**Date Second Amendment Approved:** October 4, 2002  
**Second Amendment Effective Date:** October 1, 2002

**Demonstration Expiration Date:** December 31, 2004

**Renewal Proposal Submitted:** December 15, 2003  
**Renewal Approved:** June 14, 2004  
**Renewal Implemented:** January 1, 2005 (three year extension)  
**Expiration Date:** December 31, 2007

**SUMMARY**

This demonstration permits New Mexico to implement its title XXI Medicaid expansion to cover children through age 18 in families with income from 185 percent up to 235 percent of the Federal Poverty Level (FPL). New Mexico operates its Title XXI State Children's Health Insurance Program (SCHIP) Medicaid expansion through this demonstration. This demonstration permits the state to implement co-payment requirements and a 6-month waiting period for the demonstration population.

**OBJECTIVES OF THE DEMONSTRATION**

The objectives of this project are to demonstrate that: 1) co-payment requirements do not impede utilization of medical care for the SCHIP population and 2) to ensure that the State's six-month waiting period of uninsurance for applicants that have employer-sponsored or private health insurance effectively prevents crowd-out, or the substitution of SCHIP coverage for private group health plan coverage.

On March 31, 1999, New Mexico implemented a co-payment provision in its SCHIP. The New Mexico Human Services Department Medical Assistance Division administered a survey to measure the effects of co-payment on utilization in order to answer the question: "Do co-payments for the SCHIP population impede utilization of medical care?" Comparison was between those parents of children enrolled in the SCHIP (Title XXI) and those parents of children enrolled in general Medicaid (Title XIX) during the time span January 1, 2002 to June 1, 2002. Results show that there was no significant difference between SCHIP enrollees and Medicaid enrollee's utilization of medical care benefit as a result of co-payments. The study indicated that SCHIP enrollee utilization of medical care benefits is not impeded by modest co-payments.

On October 1, 2002, New Mexico implemented a 6-month waiting period in its SCHIP by amending its demonstration. The State provided CMS with preliminary findings from examining denial codes for either having private health insurance or dropping private health insurance and returning to SCHIP or Medicaid within a year. Preliminary findings indicate that a minimal number of the total SCHIP applicants returned to SCHIP or Medicaid within 1 year of having been denied. Data for this study was limited because the State so recently implemented the 6-month waiting period.

### **AMENDMENTS**

- On July 25, 2000, New Mexico submitted an amendment to its title XIX section 1115 demonstration project to eliminate co-payments for Native American children receiving services through its Medicaid expansion under Title XXI of the Social Security Act.
- On January 11, 2002, New Mexico submitted an amendment to its title XIX section 1115 demonstration to reinstate a period of un-insurance in its SCHIP Medicaid expansion program. New Mexico requires a 6-month period of un-insurance prior to a child being eligible to enroll in the SCHIP.

### **Children Covered Under the Program**

Total State reported enrollment for fiscal year 2003 was 12,589 (ever enrolled/unduplicated count). On December 31, 2003, New Mexico reported 10,794 enrolled (point-in-time).

### **Administration**

The New Mexico Human Services Department, Medical Assistance Division, administers the program.

### **Health Care Delivery System**

Services are provided through the current Medicaid delivery system that is a statewide managed care program operated under 1915(b) waivers.

### **Eligibility**

Children through age 18 in families with income from 185 up to 235 percent of the FPL.

### **Benefit Package**

A standard benefit package consistent with the services currently offered under the State's traditional Medicaid program.

### **Crowd-Out Strategy:**

New Mexico's crowd-out provision requires a 6-month period of uninsurance for applicants that have employer-sponsored or private health insurance and who voluntarily terminated this coverage within 6 months of application for SCHIP.

### **Cost Sharing**

The state implements cost sharing in its Medicaid expansion program that is above current Medicaid allowable limits. Co-payments are applicable to all families with incomes from 185 percent up to 235 percent of the FPL. Native American and Alaska Natives are exempt from cost sharing requirements. The co-payment schedule is as follows:

- \$5 per physician visit
- \$5 per outpatient services (clinic, therapy)
- \$15 per urgent care and emergency room visits
- \$25 per inpatient hospital admission
- \$15 per outpatient hospital services
- \$2 per prescription
- \$5 per dental visit
- \$5 per missed appointment

Prenatal and preventive services are exempt from co-payment requirements. Application of the yearly maximum payment of copayment amounts does not exceed the following standards, based upon FPL income status at the time of initial eligibility determination or redetermination:

- 186%-200% - 3%
- 201%-215% - 4%
- 216%-235% - 5%

### **State Outreach and Enrollment Activities**

- New Mexico implemented a Presumptive Eligibility Option enacted by the Balanced Budget Act of 1997. The requirement that the PE providers complete a Medicaid On-Site Application Assistance (MOSAA) application with each PE determination will further assure Medicaid eligibility access.
- The state assures SCHIP access to Native Americans via a variety of mechanisms. These include assuring all Indian health Service facilities in the State are trained and actively participating in the MOSAA program and working to assist Native Americans in their efforts to design and implement a Native American Health Maintenance Organization.

**Financial Information**

Total FFY 2004 SCHIP Allotment -- \$32,788,606

FFY 2004 Enhanced Federal Matching Rate -- 82.40

*Last updated: July 19, 2004*