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**For Immediate Release**

## **Key Medicaid Funding Bills on the Way to the Governor**

*Santa Fe, New Mexico – February 14, 2004* – Late last night and early this morning the House of Representatives passed two key pieces of legislation that will help New Mexico protect the 408,000 low-income New Mexicans, including 267,000 children, who rely on Medicaid for their health care needs. SB 385 and SB 502 now go to the governor for final approval and signature. “We’re happy to see the legislature act on these important bills that help New Mexico maintain current Medicaid eligibility while we continue to rein in the costs of the program,” said Pamela Hyde Human Services Department (HSD) Secretary.

The House moved quickly on the bills that had just passed the Senate the night before. SB 385, sponsored by Senator Manny Aragon creates a nursing home bed surcharge that will help generate about \$22.5 million for the state’s Medicaid program.

SB 502, sponsored by Senator Tim Jennings, is expected to generate \$20 to \$24 million for the Medicaid program by increasing the current health insurance premium surtax on certain health care premiums from three to four percent.

These bills have the support of HSD and the Nursing Home Association, who reached a compromise on SB 385 earlier this week. The legislation calls for an average surcharge of \$8.82 a day on each occupied bed at nursing homes, residential treatment centers and intermediate-care facilities for the mentally retarded.

Both bills are part of the Governor Proposed Medicaid Revenue Enhancement package that help fight fraud and abuse, allow the state to continue to get the best prescription drug prices for Medicaid recipients, and guarantee no cuts in eligibility. The other Medicaid Revenue Enhancement bills are:

- CS/HB 88 (Passed House) & SB 264 (Passed Senate): Mandating 340B Drug Pricing Program Participation
- HB 468 & SB 461: New Mexico Medicaid False Claims Act
- HB 406 & SB 183: Amending Medicaid Pharmacy Reimbursement

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