MINUTES
of the
NINTH MEETING
of the
LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

November 16-17, 2017
State Capitol, Room 321
Santa Fe

The ninth meeting for the 2017 interim Legislative Health and Human Services Committee (LHHS) was called to order on November 16, 2017 by Representative Deborah A. Armstrong, chair, at 9:16 a.m. in Room 321 of the State Capitol. A quorum was present.

Present
Rep. Deborah A. Armstrong, Chair
Sen. Gerald Ortiz y Pino, Vice Chair
Rep. Gail Armstrong (11/17)
Rep. Rebecca Dow
Sen. Mark Moores
Sen. Bill B. O'Neill
Sen. Cliff R. Pirtle (11/17)
Rep. Elizabeth "Liz" Thomson

Absent

Advisory Members
Rep. Joanne J. Ferrary
Rep. Miguel P. Garcia (11/16)
Sen. Gay G. Kernan (11/16)
Sen. Linda M. Lopez (11/17)
Sen. Cisco McSorley
Sen. Howie C. Morales (11/17)
Sen. Nancy Rodriguez
Rep. Patricia Roybal Caballero
Sen. Elizabeth "Liz" Stefanics
Sen. Bill Tallman
Rep. Christine Trujillo

Rep. Tim D. Lewis
Rep. Rodolpho "Rudy" S. Martinez
Sen. Mary Kay Papen
Rep. Angelica Rubio
Rep. Nick L. Salazar
Sen. William P. Soules

Guest Legislator
Sen. Pat Woods (11/17)

(Attendance dates are noted for members not present for the entire meeting.)

Staff
Michael Hely, Staff Attorney, Legislative Council Service (LCS)
Karen Wells, Contract Staff, LCS

Minutes Approval

Because the committee will not meet again this year, the minutes for this meeting have not been officially approved by the committee.

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file.

Thursday, November 16

Welcome and Introductions

Committee members and staff introduced themselves.

Senate Memorial 99 (2017 Regular Session) State Agency Health Expenditures Study

Jenny Felmley, Ph.D., program evaluator, Legislative Finance Committee (LFC), described the findings of the study called for in Senate Memorial 99 (2017). The memorial requested that the LFC analyze prescription drug spending and savings in state agencies. In fiscal year (FY) 2017, New Mexico spent more than $737 million on prescription drugs, an 8% increase from 2016. The top 30 cost-driver drugs were predominantly non-generic and very expensive, she said. The unit price for those top 30 drugs increased 34% in FY 2017. Detailed charts included in the report reflect changes by specific drug name, including the percent growth. Dr. Felmley noted that information requested in the memorial regarding rebates was not obtainable due to the proprietary nature of the information. She noted that establishing the real prices paid by agencies for prescription drugs is a complex issue. The challenge to identifying the true cost of prescription drugs is largely a reflection of the lack of transparency by the prescription drug industry. The LFC report does, however, provide some approximate data and suggests future efforts that could be undertaken to understand agency costs and identify measures to control those costs.

David Archuleta, executive director, Retiree Health Care Authority (RHCA), acknowledged that prescription drug spending is a big cost to the RHCA. The RHCA does not disagree with the findings of the LFC study and recognizes the big challenges mentioned in the report. Vera M. Dallas, senior director, Employee Benefits, Albuquerque Public School District (APS), also recognized the very difficult challenge of controlling these costs. The APS is striving to control costs while ensuring access to necessary prescription drugs for the insured. Ernestine Chavez, deputy director, Public School Insurance Authority (PSIA), noted that the cost increase for specialty drugs is especially challenging. The PSIA is committed to continuing to find approaches to contain costs. Lara White-Davis, director, Risk Management Division, General Services Department, had nothing to add.

Committee members had questions and made comments in the following areas:

- ways in which state agencies are currently controlling costs; further study is required;
- clarification regarding the costs per pill of some medications, such as Viagra; it is $64.00 per pill; some drugs, including Viagra, have many uses; Amy Daily, a representative from Express Scripts, Inc., identified some of these other uses;
- recognition that as a drug approaches the end of its patent, the manufacturers often modify the drug in such a way as to renew the patent and increase the cost of the drug;
- whether there is an opportunity to identify the costs of not providing drugs or limiting the formulary for covered drugs; there are studies that support cost savings of keeping some people on a higher-cost drug;
- an observation that rural pharmacies are threatened by the Interagency Benefits Advisory Committee's (IBAC's) agencies' use of mail-order pharmacies;
- whether expansion of IBAC agency participation would present further opportunities for cost containment of prescription drugs; the LFC has long supported expansion of the IBAC;
- whether the drug discount program under Section 340B of the federal Public Health Service Act, as amended (340B), could be used to reduce drug costs for IBAC agencies; no; 340B is available to providers of care, not health coverage entities; it is a highly regulated federal program;
- clarification regarding the number of state agencies purchasing prescription drugs; the LFC study looked at 10 state agencies;
- recognition that the state has little control over manufacturers' price setting of prescription drugs;
- an assertion that lack of transparency in contracts limits access to more robust information about prescription drug costs;
- clarification regarding the 6.7% of drugs that results in the highest expenditure for Medicaid; these are drugs that Medicaid has specifically decided to track;
- clarification regarding the extent to which agencies get rebates for certain drugs; Ms. Daily asserted that IBAC agencies and the University of New Mexico (UNM) Hospital and employees get 100% of the available rebates, and she said that those agencies do have access to contract information on this topic in an audit;
- reasons why some over-the-counter drugs (OTCs) require prescriptions, which results in higher costs to the agencies; the strength in a prescription often exceeds the strength that is available in OTCs; Express Scripts is working with agencies to address this issue;
- whether IBAC agencies are using step therapy as an approach to controlling drug costs; IBAC agencies are looking at a variety of measures to contain costs;
- whether any other states have undertaken this kind of study; yes; California introduced a bill that addressed drug transparency;
- clarification regarding the process for approval of generic drugs versus name-brand drugs; it is done at the federal level through the Food and Drug Administration;
- encouragement to further explore access to 340B pricing;
- ways in which the New Mexico Medical Insurance Pool tracks drug costs and how those methods could be utilized in future studies;

- a reminder that, in 2002, the New Mexico Legislature passed legislation that required transparency about rebates and about the return of rebates to the state;
- whether rebates ever occur at the point of sale; Ms. Daily noted that this is happening a bit more frequently; sometimes plans want to share the rebates with patients in high-deductible plans; and
- an observation that copayments are being eliminated in many plans in order to encourage more prescription drug use.

IBAC Cost and Utilization Trends

Dr. Felmley then presented the LFC's findings from a study on the IBAC's cost and utilization trends. The LFC contends that IBAC agencies have yet to realize the full fiscal promise of combined purchasing power through the collaboration of these agencies. Over the past five years, health care costs have increased significantly despite declining enrollment. Specific findings were presented for each agency in the IBAC. She noted that premiums for all IBAC agencies are subsidized by state appropriations; premiums are found to compare favorably to national benchmarks. All IBAC agencies have made major changes to plans, premiums and deductibles in an effort to control costs.

Maria Griego, program evaluator, LFC, described specific increases in medical and prescription drug costs despite declining enrollment. Similar to national trends, IBAC costs for outpatient services have grown while inpatient costs have slowed. Between 2012 and 2016, the amount paid per claim increased at a much faster rate than the total number of claims, demonstrating that the cost of care, rather than a greater utilization of services, affected the growth rate. Ms. Griego provided details regarding the different results of each of the IBAC agencies.

Dr. Felmley noted that when compared to Medicare data, IBAC members were found to have higher hospital costs despite the fact that the members are generally younger and healthier than Medicare recipients. This could be attributed to the higher rates being paid for care when compared to Medicare rates, she said. In conclusion, a review of IBAC cost and utilization trends from 2012 to 2016 reflects that, despite cost-containment efforts, IBAC agencies have been unable to address the high rates negotiated on their behalf by commercial carriers. A redesign of agency contracts with carriers could result in some lowering of costs; however, only through true consolidation will real savings likely be realized.

Questions and comments from committee members addressed the following areas:

- an observation that care must be taken when considering the use of Medicare or Medicaid rates as the basis for determining appropriate commercial rates;
- recognition that New Mexico's ability to fairly address payer mix is limited due to the high percentage of federal programs that cover most residents;
- whether the IBAC has considered the potential for reduced costs from state- or agency-run clinics; the data on this potential is not well-developed at present; and

- recognition that data is being collected pursuant to the opening of a state-run health center at the Joseph Montoya building.

Ms. White-Davis noted that the health center is a new project, so trends are not yet definitive; however, there is great interest in expanding the project. Currently, the interest in using the clinic is largely limited to urgent care-type services versus wellness services. There is emerging cost data that seem to indicate cost-effectiveness and savings to the state. The contract to operate the center is with the Cerner Corporation. Although primarily known for its electronic health record services, Cerner Corporation has a health center that it started for its own employees.

Questions and comments continued, as follows:

- ways in which the Cerner Corporation is paid; the state provides the space and pays a monthly per consumer price;
- clarification regarding the opportunities that exist for greater collaboration and consolidation of IBAC agencies; consolidated purchasing opportunities are looked at every year when contracts are renewed; value-based purchasing arrangements are encouraged;
- whether a Medicaid buy-in should be considered; it might be worth pricing out that option;
- an observation that Oregon has a system of consolidated statewide coverage that is very cost-effective;
- an observation that statutory changes would be necessary to accomplish changes similar to Oregon's; the LFC supports this; lacking such changes, the LFC believes the IBAC agencies should be benchmarking the cost of premiums;
- clarification regarding the nature of "self-insurance"; New Mexico uses commercial companies to manage its self-insured plans;
- a comment that the best way to reduce costs is not to reduce provider rates, but to aggressively manage the care of high-cost patients; and
- whether each of the IBAC members has the option to use different plans; currently, they all use Presbyterian Health Plan and Blue Cross Blue Shield.

Public Comment

Dick Mason, Health Action New Mexico, noted that the legislature passed legislation that established consolidated purchasing for prescription drugs, but that legislation was vetoed by the governor.

Colin Baillio, director of policy and communication, Health Action New Mexico, commented that agencies are limited in their options to control prescription drug costs. He encouraged the study of foreign countries that regulate drug purchasing prices. He spoke to harm that will occur from proposals in Centennial Care 2.0 that could be partially mitigated by better purchasing practices for prescription drugs.

Joyce Gonzalez, Angioma Alliance, testified regarding a gene mutation that exists in a higher-than-average rate in New Mexico's Hispanic population, known as cerebral cavernous malformation (CCM). People at risk should have coverage for genetic testing through health plans and Medicaid, she said. The alliance is requesting an appropriation of $20,000 to support education regarding CCM. The alliance is especially interested in seeking a requirement that Medicaid cover the cost of genetic testing for CCM.

Aaron Rodriguez provided a personal story of the impact of CCM. He and his wife lost a daughter to the condition. His son and his wife also are affected. There is no cure for the condition. Jennifer Morfin has eight family members diagnosed with CCM. Othello Gamboa offered personal testimony about his experience with CCM, which involved spinal surgery. He currently has lesions on his brain. Tobias Pino offered testimony regarding his son who died as an infant from the condition. Unknowingly, he and his wife (who is a carrier) passed the gene along to five children. His wife ultimately died. Tobias Pino, Jr., provided additional testimony.

Centennial Care 2.0 Waiver Application Impact Analysis

Sireesha Manne, staff attorney, New Mexico Center on Law and Poverty (NMCLP), and Mandisa Routeni, Institute for Policy Study Studies, healthcare policy fellow, NMCLP, were invited to address the committee. Ms. Manne testified that the NMCLP is very concerned about the changes proposed in the Centennial Care 2.0 plan. The NMCLP recommends elimination of all cuts to the program that would negatively impact beneficiaries. She highlighted areas of proposed cuts, including: the imposition of premiums; copayments; ending retroactive coverage; ending transitional medical assistance; and eliminating important health benefits for parents living in deep poverty. The NMCLP contends that these proposals will create financial hardships for New Mexico families, drive up long-term costs and result in the loss of substantial federal matching funds.

Ms. Routeni provided feedback on the public hearings that were held around the state. She contends that the hearings were scheduled at inconvenient times and in areas of limited access. Promised telephone lines were not always available or were not workable. Turnout in Albuquerque was minimal. Requests were made for additional hearings and sites for hearings; however, only Las Vegas was added. Overall, the NMCLP felt that the public comments in the meetings were critical of the proposed changes. The NMCLP submitted formal comments, which were distributed to committee members.

Ms. Manne contends that: Human Services Department (HSD) responses to public input have been inadequate; the HSD is primarily interested in reducing the cost of the Medicaid program and not the impact on beneficiaries; and savings to the state do not match the financial burden imposed on beneficiaries.

Questions and comments from committee members covered the following areas:

- a suggestion that language that these proposed cuts be withdrawn be attached to any Medicaid appropriation request before the House Appropriations and Finance Committee and the Senate Finance Committee;
- whether there was any effort at the public hearings to poll participants or ask for a show of hands to indicate reaction to the proposed cuts; no;
- whether the NMCLP had an impression of the level of support for these changes; it believes that close to 99% of participants opposed the changes;
- Patricia Boies, health services director, Santa Fe County Community Services Department, noted that very few of the attendees of the last Medicaid Advisory Committee (MAC) meeting testified about their reactions to the proposed changes;
- whether the NMCLP has seen the Medicaid budget request; yes; it anticipates a need for $30 million to cover anticipated shortfalls due to the inability of Congress to reauthorize the Children's Health Insurance Program and due to other inefficiencies;
- whether there is currently adequate funding for Medicaid; no;
- whether the imposition of copayments is intended to restore the budget deficit in Medicaid; there is definitely a deficit; however, the NMCLP contends that there are other ways to make up the deficit besides imposing copayments on poor families;
- an observation that imposing copayments reduces the amount of the federal match that the state can obtain;
- clarification regarding the NMCLP position on the home visiting program; impact studies exist on including home visits as a Medicaid benefit;
- clarification regarding the response of the HSD to NMCLP requests for further information; the NMCLP requested information regarding impact studies; the only information provided described the impact of copayments in Indiana;
- whether the HSD has information about the direct impact of proposed changes on New Mexicans; the NMCLP feels that the HSD has not done the necessary due diligence;
- clarification regarding the implications if the waiver is approved and whether legal recourse that challenged the approval would be possible; the NMCLP has been reviewing the issue of whether the proposal violates the requirements of Medicaid and what parts of the proposal are not waivable;
- clarification regarding the opportunity to comment at the federal level after the proposal has been submitted by the state; comments may be made at that time;
- a comment that the HSD has publicly said that it is contemplating not imposing the premiums or copayment portions of the proposal for the first six months after the implementation date;
- an observation that ending the retroactive coverage provision would harm hospitals the most and that most of the proposals are simply provider taxes;
- an observation about the ripple effect of many of the cuts; Ruth Hoffman, a member of the MAC, noted that subcommittees of the MAC met last summer and recommended that copayments and premiums not be imposed, but this recommendation was ignored;

- a comment that the subcommittee recommendations requested that an impact assessment be conducted prior to proposing copayments and premiums; and
- whether there have been any court cases in other states on any of these issues; there are no known legal challenges; however, the imposition of premiums is under legal review.

Supplemental Nutrition Assistance Program (SNAP) Court Order Compliance Update

Maria Griego, staff attorney, NMCLP, briefed the committee on the status of a federal court order requiring the HSD to bring the processing of medical and food assistance benefits into compliance with federal law. She noted that in July 2016, a special master was appointed by a federal judge to monitor and provide recommendations to bring the HSD into compliance with the law. As of this meeting, the HSD has not complied with any of these recommendations. The HSD is now required to take certain specific actions to avoid further court intervention.

Ms. Griego identified barriers to obtaining food and medical assistance as follows: failure to timely renew food and medical assistance; failure to timely deny and notify families that they are not eligible for assistance; improperly denied benefits; failure to provide benefits to eligible families that include immigrants; failure to provide accurate notices to families about their food and medical assistance; a phone system that lacks the ability to communicate with non-English-speaking callers; and management that lacks leadership, knowledge and skills.

The NMCLP requests that the LHHS write a letter to the governor asking for compliance with the required actions and asking for full funding of Medicaid and the Income Support Division of the HSD. Sovereign Hager, staff attorney, NMCLP, offered additional details about the eligibility of clients and the time lines for compliance with special master requirements, and she offered specific details of barriers to receiving benefits that clients still face, despite their eligibility for those benefits.

Questions were asked and comments made in the following areas:

- a question to RubyAnn Esquibel, principal analyst, LFC, about the amount that the HSD reverted last year; $20 million;
- clarification regarding the time line for the HSD to comply with the requirements of the special master; the first date is in March; a separate meeting is scheduled to allow the judge to review the actions the department has taken since the appointment of the special master;
- clarification regarding the steps needed to bring the phone system into compliance;
- an observation that a letter from the secretary of human services identifies a different time line for compliance than the NMCLP has presented;
- clarification regarding the current caseloads for workers from the Income Support Division; there are around 8,000 Medicaid clients and close to 5,000 clients eligible for SNAP benefits;

- clarification regarding the number of overdue applications is that 12,000 applications for Medicaid are overdue;
- an observation that the HSD's information technology (IT) system cannot handle the creation of accurate denials so all of that work is being done manually;
- whether upgrades to the IT system are in the budget request; it is possible that the HSD already has the resources for this;
- whether the $20 million reversion last year was all from denials of SNAP benefits; Ms. Esquibel noted the information that the LFC has does not break out that information;
- whether the turnover rate of staff is known; the turnover rate is not known; however, the vacancy rate is estimated to be 5%; Ms. Esquibel noted that in the current fiscal year, the department was able to adjust its federal match, which allowed hiring an additional 55 people, and the HSD is requesting funding for an additional 77 people in the coming fiscal year;
- an observation that it has become more difficult to justify federal match dollars and that every dollar lost to the program directly impacts patients and clients;
- recognition that there are many long-term dedicated staff in the HSD; and
- recognition that the problems of lack of access, inadequate staff and not enough money are not limited to the HSD and these programs; the number of truly vulnerable people in New Mexico is astounding; it is hard to believe that anyone deliberately wants to harm these individuals.

Senator Ortiz y Pino offered to draft a letter to the HSD that encourages it to meet the obligations laid out by the special master and reflects the recommendations of the NMCLP. He requested that consideration of the letter be added to the Friday agenda.

Recess

The committee recessed at 4:55 p.m.

Friday, November 17

Welcome and Introductions

The meeting was reconvened by the chair at 9:16 a.m. Members and staff introduced themselves.

Early Childhood Services Collaboration: Report Pursuant to Senate Memorial 23 (2017)

Michael Weinberg, Ed.D., early childhood education policy officer, Thornburg Foundation, and Erica Stubbs, chair, State Early Learning Advisory Council (ELAC), addressed the committee. Ms. Stubbs identified the purpose and composition of the ELAC. She described the intent of Senate Memorial 23 (2017), which was to explore opportunities for collaboration among the multitude of entities that are engaged in child care activities. A work group of the ELAC identified questions relevant to the purpose, then contracted with an organization called EduDream to conduct the research. Findings will be reported in the ELAC Annual Report.

Among topics researched was a scan of New Mexico early childhood funding policies and processes, as reported by local and national foundations and organizations. Additionally, interviews were conducted with numerous individuals and entities running programs in New Mexico. The research is still under way, so the presentation to the committee represents a status report of findings to date.

Preliminary findings revealed that pre-K provider eligibility and funding are clearly established in state law; however, the Children, Youth and Families Department (CYFD) and the Public Education Department (PED) have different approaches, applications and time lines for providers to access funding. Providers expressed concerns regarding the criteria used by state agencies to verify unmet needs and regarding the transparency of the verification process. Collaboration is inconsistent and fragmented between pre-K and Head Start. Head Start enrollment is governed by federal regulations and other external factors. Limited numbers of providers and agencies are combining funding streams; however, many providers are simply running separate programs based on the funding source.

Models exist in Georgia, Oklahoma and Washington, D.C., that could be used to guide streamlining of government structures and processes. The final report from the ELAC is expected to be completed by November 30, and it will include recommendations for short- and long-term action.

Committee members had questions and comments in the following areas:

- clarification regarding the meaning of blended, or braided, funding; it would be an environment in which children served by different funding sources could be seamlessly served in the same program;
- ways in which duplicative paperwork impacts a provider's ability to run a successful program; there are different requirements for different sources of funds, so some duplication is inevitable;
- an observation that other state models should be quite instructive;
- ways in which the mobility factor of families affects funding; the intention is that an eligible child can be served without regard to the location of the child's home;
- whether standard curricula are required to be used, regardless of funding sources; yes; there are standards for what children should know at each level;
- whether early learning programs are currently coordinating learning guidelines; yes;
- an observation that the pre-K legislation required collaboration and coordination between the CYFD and the PED; the legislation is clear; however, the agencies have strayed from that collaboration over time;
- an observation that currently, there is duplication and overlap between federal and state programs; two Head Start sites are in jeopardy of closure; the federal rules are cumbersome;
- a concern that federal Head Start dollars are being reverted; better coordination and commingling of funds between state and federal Head Start programs, pre-K

programs, the CYFD and the PED would go far in meeting unmet needs for early learning in the state while maximizing opportunities for federal funding;
- recognition that rural New Mexico presents some very unique challenges and may not be able to adapt to statewide standardization;
- opportunities that may exist for leveraging sources of funding; and
- recognition that the official creation of the ELAC was necessary to ensure eligibility for federal funding for Head Start and other early childhood learning programs.

Developing a Primary Care Workforce in New Mexico Communities

Senator Morales noted the importance of the primary care workforce topic, and he reminded members that much important work has been accomplished. Representative Dow noted the importance of keeping health care providers in rural areas.

Charlie Alfero, director, New Mexico Primary Care Training Consortium (NMPCTC), introduced John Andazola, M.D., program director, Southern New Mexico Family Medicine Residency Program (SNMFMRP); Dan Otero, chief executive officer, Hidalgo Medical Services (HMS); Darrick Nelson, M.D., chief medical officer, HMS; Dolores Gomez, M.D., faculty, SNMFMRP; Oliver Hayes, D.O., Burrell College of Osteopathic Medicine; Miriam Kellerman, director, Forward New Mexico; and Lori Ann Loera, M.J., program manager, NMPCTC.

Mr. Alfero stated that the presentation will primarily address the need to develop and retain health care providers in rural parts of New Mexico and the challenges faced in doing so. He noted that there is a significant shortage of primary care physicians nationwide. New Mexico's efforts to expand training for this critical sector have not increased in 25 years. He described the Southwest Center for Health Innovation, Forward New Mexico and the NMPCTC as organizations that exist to train, recruit and retain primary care providers in the state. He provided data regarding current residency programs in New Mexico, which train approximately 25 physicians a year. Future needs and opportunities for family residencies were identified.

Mr. Otero described the mission, vision and values of HMS. HMS is committed to providing an innovative health care delivery system in what is a very rural part of the state. He provided a brief history of the creation and progress of HMS. Currently, HMS serves more than 16,000 people each year in a variety of service areas. He highlighted HMS's clinical performance measures, in which it is meeting or exceeding national benchmarks. He identified the number of providers HMS has been able to recruit since 2016. HMS provides 215 professional health care jobs in Hidalgo and Grant counties. The HMS Family Medicine Residency Program is key to its recruitment and retention efforts.

Dr. Nelson provided detailed information regarding the HMS Family Medicine Residency Program, which is the only teaching health center in New Mexico. He highlighted the nature of the 15,390 encounters since the inception of the program. HMS residents are performing better than the nation in nine out of 14 state quality measures and excelled in quality measures. He shared numerous positive comments from graduating residents and a letter of appreciation from a

grateful graduate of the Dream Makers Program. Dr. Nelson noted that Grant County has now joined the ranks of New Mexico urban counties that have more primary care providers than the national average.

Dr. Andazola provided information about the SNMFMRP and the history of primary care training in New Mexico, beginning with the founding of the medical school at UNM in 1964. The HMS Family Medicine Residency Program was founded in 2014. National data show that in 2016, 38.5% of physicians were active in the same state in which they completed medical school, and 67.1% of physicians who completed both medical school and residency in the same state remained in that state. Retention rates in Las Cruces are higher than the national average for graduates of residency programs and show 100% board certification in the last two years. Dr. Andazola made recommendations for changes in Medicaid regulations that would support residency development and operations, including leveling the playing field financially, providing incentives to meet needs and establishing a focus on national accreditation as the standard for payment.

Steve Ruwoldt, chief operating officer, Memorial Medical Center, noted that its residency program, as good as it is, has trouble recruiting primary care physicians. Las Cruces is not getting residents from Albuquerque. He stressed the looming problem of an aging physician community. He contends that if residencies in southern New Mexico received the same level of financial support as residencies in Albuquerque do, that state would greatly benefit.

Committee members had questions and made comments in the following areas:

- clarification regarding the long-term effects if funding for the southern part of the state is not realized; $260,000 would allow efforts to continue;
- ways in which compensation disparities between primary care and specialty care could be addressed; this is a long-standing and serious problem; the disparities lead to a lack of graduates choosing primary care as a specialty;
- by what criteria are residents chosen; New Mexico residency, interest in remaining in a rural practice and top test scores;
- ways to increase the dispersement of graduate medical education (GME) funding to the southern part of the state; expansion of GME availability to other parts of the state; and funding for residency programs in southern rural hospitals;
- the estimated cost of funding residency programs in rural New Mexico; an estimated $5 million over time, spread among organizations doing the training;
- clarification of changes that would be required to accomplish a rural residency program; it would take several years for a program to be accredited; a letter in support of proposed changes to GME funding in Centennial Care 2.0 has been shared with the HSD;
- an observation that New Mexico is not being successful at recruiting students from New Mexico to go to medical school in New Mexico and remain in New Mexico to practice here;

- issues surrounding funding medical students at the Burrell College of Osteopathic Medicine, a for-profit entity; Dr. Hayes identified investors in the college and the rate of return they expect for their investment; there is no request for state funding for the medical school;
- clarification regarding why HMS took over the senior meal program; there was a desire in the community to integrate senior meals with health services;
- recognition that funding for meals programs is threatened statewide due to great disparities between reimbursement for meals and approvals for meal sites;
- whether there is a pattern emerging that new graduates do not see the need for primary care physicians; in general, young people do not seek medical care as often as older people; and
- whether nurse practitioners are good substitutes for primary care physicians and, if so, why not shift focus to them; primary care physicians have a broader scope of practice and are, therefore, more valuable to rural communities.

Dr. Mac Bowen, La Familia Medical Center, commented on the residency program in Santa Fe. The center has the goal of growing the program to serve northern New Mexico and is on a path to accomplish that. Family medicine is the only residency that provides four doctors for the price of one. Dr. Hayes acknowledged his appreciation for his colleagues from around the state. He noted the importance of public policy support for rural residency programs for primary care and family practice physicians. Ms. Kellerman testified to the importance of providing support to local students.

Public Comment

David Roddy, New Mexico Primary Care Association, voiced strong support for expansion of primary care residencies. UNM is doing a good job with the funds it gets; however, more funding is always needed. He provided some statistics regarding the experience of UNM's residency program. He noted that most primary care clinics do not have the resources or expertise to support rural residencies. The biggest tool for recruitment of physicians is loan repayment. He encouraged the committee to consider expanding loan repayment programs.

Jim Jackson, Disability Rights New Mexico (DRNM), addressed two bills scheduled to be debated for endorsement. The appropriation request for $25 million to address disability issues does not specify reducing the waiting list, an oversight that DRNM would like corrected. Secondly, DRNM strongly supports the guardianship compact bill, but urges the committee to be open to amendments during the legislative process.

Susan Loubet, New Mexico Women's Agenda, raised the issue of human trafficking. The 2017 interim Courts, Corrections and Justice Committee endorsed two bills dealing with this topic, and she suggested that the LHHS support these bills as well.

Mr. Ruwoldt responded to concerns about state support for residency programs at for-profit hospitals. In his opinion, the profit or not-for-profit status should not be an issue. The need to sustain residency programs is all that should be considered.

Endorsement Review of Legislation for 2018 Regular Session

Mr. Hely presented legislation for which the sponsors requested the LHHS to consider for endorsement.

***The Uniform Guardianship, Conservatorship and Other Protective Arrangements Act* (.208901.3)**, proposed by Senator James P. White, was presented by Jack Burton, commissioner, Uniform Law Commission. Mr. Burton asserted that the bill is entirely uniform with other states' versions of the compact, updating provisions for guardianship, conservatorship and protective arrangements. He reviewed the key provisions of the bill. Senator Ortiz y Pino noted that adequate funding of the measure will be critical. The 2017 interim Courts, Corrections and Justice Committee has endorsed this bill. After discussion, and pursuant to a motion by Senator Moores and seconded by Senator Ortiz y Pino, the endorsement was adopted by affirmation.

***Temporary Assistance for Needy Families (TANF) program work requirements* (.208981.1)**, proposed by Senator Woods, would provide $1 million to the HSD for the re-implementation of the Employment Retention and Advancement Bonus Incentive Program to establish work participation outcome requirements and reporting under the New Mexico Works Act, which uses federal funding under the TANF program. Ruth Hoffman, director, Lutheran Advocacy Ministry-New Mexico, provided clarifying information. Senator Woods offered input regarding the "cliff effect" of losing access to certain funded benefits. This bill is intended to address that effect. Following discussion, a motion to endorse the bill was made by Senator Ortiz y Pino and seconded by Representative Thomson. Representatives Gail Armstrong and Dow and Senators Moores and Pirtle objected; Representatives Thomson and Deborah A. Armstrong and Senators O'Neill and Ortiz y Pino voted to endorse. By a vote of four to four, the motion to endorse failed.

***Nursing compact* (.208934.2)**, requested by Senator Kernan, enacts the Enhanced Nurse Licensure Compact and makes conforming changes to the Nursing Practice Act. A motion to endorse was made by Representative Dow and seconded by Senator Pirtle. The motion was approved by affirmation.

***Medicaid opioid prescribing* (.208551.2)** would require the HSD to commission a study on the effects of the prescription drug monitoring program on opioid prescribing practices. Following discussion, Representative Thomson withdrew her request for this bill.

***Kidney transplant counseling* (.208724.1)**, requested by Representative Thomson, would establish certain requirements for renal dialysis facilities for counseling about kidney transplants and other current best practices in kidney care. A motion to endorse was made by Senator Ortiz

y Pino and seconded by Senator O'Neill. The motion carried with dissenting votes by Representative Gail Armstrong and Senators Moores and Pirtle.

Statewide 911 board **(.208787.1)**, requested by the committee, is a memorial that asks the secretary of finance and administration to study a proposal that a single, statewide 911 program oversight board be created and charged with the administration of 911 programs statewide. Ken R. Martinez, chair, 911 Dispatch Association, asserted that the study is necessary as resources do not exist to fully implement E911. A motion to endorse was made by Senator Moores and seconded by Representative Dow. The motion was approved by affirmation. Senator Stefanics requested that she be named sponsor of the bill, and the chair affirmed Senator Stefanics' sponsorship.

Recoupment limit **(.208770.1)**, proposed by Representative Thomson, would establish a limitation on recoupment or retroactive denial of health care provider claims. A motion to endorse was made by Senator Moores and seconded by Senator Ortiz y Pino. The motion was approved by affirmation.

Physician loan for service **(.208827.1)**, requested by Senator Kernan, amends various acts to establish professional loan repayment funding to assist both allopathic and osteopathic primary care physicians working in designated health professional shortage areas. Senator McSorley requested that staff research the Higher Education Department's definition of "primary care physician" to ensure that its definition aligns with the requirements of the proposed bill. The chair questioned whether obstetrical and gynecological physicians would qualify under this bill as a primary care physicians. Following discussion, given that Senator Kernan was not present at the time of the debate, it was suggested that the chair approach Senator Kernan to see if she would object to adding that provision to the bill. Representative Deborah A. Armstrong offered a motion to endorse, pending Senator Kernan's approval of changes, and Representative Gail Armstrong seconded the motion. The motion was approved by affirmation.

Funding for developmental disability waiver supports **(.208904.1)**, requested by Representative Garcia, would appropriate $25 million to the Department of Health to fund supports and services under the Medicaid developmental disabilities waiver. It was clarified that the appropriation specifically prohibits using the funds to take people off the waiting list. Ellen Pinnes asserted that such a large program increase without funding any new people is a problem. It was noted that aside from prohibiting funding people on the waiting list, the bill does not identify specifically what the funds are to be used for. Nat Dean asserted that many people currently on the waiver are receiving very poor or limited services. Senator Ortiz y Pino suggested a conditional endorsement, contingent on amending the bill to use the appropriation to fund people currently on the waiting list as well as provide supports and services to current clients, if Representative Garcia will agree to the changes. Senator Ortiz y Pino made a motion for endorsement of the bill with the conditions discussed by the committee, and Senator O'Neill seconded the motion. Representative Thomson agreed to sponsor the bill, as amended, if

Representative Garcia does not approve of the recommended changes. The motion was approved by affirmation.

Child care assistance for kinship caregivers **(.208907.1)**, requested by the committee, would establish access to child care assistance and respite care for kinship caregivers without consideration of income or resources. Mr. Hely recommended deleting the word "provided" on page 1, line 25. Senator Ortiz y Pino made a motion to endorse, as amended, and Senator O'Neill seconded the motion. The motion was approved by affirmation. Senator Lopez requested to carry the bill, and the chair affirmed Senator Lopez's sponsorship.

Appropriation to fund law enforcement-assisted diversion (LEAD) **(.208919.2)**, sponsored by Senator Rodriguez, appropriates $450,000 to fund LEAD programming in Santa Fe County and to expand LEAD to Bernalillo and Dona Ana counties. Senator Rodriguez explained that the bill would provide wrap-around services to incarcerated individuals in local jails who have committed minor crimes, and the program is based on a successful model in Santa Fe County. Representative Thomson made a motion to endorse, and Senator Ortiz y Pino seconded the motion. The motion passed with Representative Dow abstaining.

Health councils **(.208963.1)**, recommended by Representative Thomson, makes an appropriation of $700,000 to the Department of Health to fund tribal and county health council's efforts to identify and address local communities' health needs. Senator Ortiz y Pino made a motion to endorse, with Representative Thomson seconding the motion. The motion was approved by affirmation.

Senator Ortiz y Pino distributed a proposed letter that he drafted to express the concerns of the LHHS regarding various elements of the proposed Centennial Care 2.0 waiver; requirements of the special master that involve enrollment in social programs; and a request to adequately fund Medicaid for the upcoming fiscal year. Following discussion, he offered a motion in support of sending the letter, pending modifications to be made by Mr. Hely. The motion carried with Representative Gail Armstrong and Senators Moores and Pirtle objecting.

The chair asked for approval of three sets of minutes: minutes of the LHHS for the meeting of November 1-3, 2017; minutes of the Behavioral Health Subcommittee (BHS) for the meeting of September 8, 2017; and minutes of the BHS for the October 24, 2017 meeting. The motion carried without objection.

Adjournment

There being no further business for the 2017 interim, the ninth meeting of the LHHS was adjourned at 4:31 p.m.