

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

September 6, 2017
New Mexico State Veterans' Home
Staff Development Building
992 South Broadway
Truth or Consequences

September 7, 2017
Burrell College of Osteopathic Medicine
Room 152
3501 Arrowhead Drive
Las Cruces

The third meeting for the 2017 interim of the Legislative Health and Human Services Committee (LHHS) was called to order on September 6, 2017 by Representative Deborah A. Armstrong, chair, at 9:21 a.m. in the Staff Development Building of the New Mexico State Veterans' Home.

Present

Rep. Deborah A. Armstrong, Chair
Sen. Gerald Ortiz y Pino, Vice Chair
Rep. Gail Armstrong (9/7)
Rep. Rebecca Dow (9/6)
Sen. Bill B. O'Neill
Rep. Elizabeth "Liz" Thomson

Absent

Sen. Mark Moores
Sen. Cliff R. Pirtle

Advisory Members

Rep. Joanne J. Ferrary
Rep. Rodolpho "Rudy" S. Martinez (9/7)
Sen. Cisco McSorley (9/7)
Sen. Howie C. Morales
Sen. Mary Kay Papen (9/7)
Sen. Nancy Rodriguez (9/6)
Sen. Bill Tallman
Rep. Christine Trujillo

Rep. Miguel P. Garcia
Rep. Tim D. Lewis
Sen. Linda M. Lopez
Sen. Gay G. Kernan
Rep. Patricia Roybal Caballero
Rep. Angelica Rubio
Rep. Nick L. Salazar
Sen. William P. Soules
Sen. Elizabeth "Liz" Stefanics

Guest Legislator

Rep. Javier Martínez

(Attendance dates are noted for members who did not attend the entire meeting.)

Staff

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

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file.

Wednesday, September 6 — New Mexico State Veterans' Home (NMSVH), Truth or Consequences

Committee members and staff introduced themselves. Representative Dow spoke briefly about the economic and tourism advantages of Truth or Consequences. She highlighted the importance of Elephant Butte Reservoir to the state park system and to state tourism.

Status Report: NMSVH

Dr. Colleen Rundell, administrator, NMSVH, Veterans' Services Department (VSD), provided historical background information about the NMSVH. The facility includes 135 skilled nursing beds and is currently nearly full. Short-term stays are also possible. A memory care unit has a waiting list. Dr. Rundell described eligibility provisions for veterans.

On July 1, 2017, the governance of the NMSVH was transferred from the Department of Health (DOH) to the VSD, as required by Senate Bill 204, which passed in the 2017 regular legislative session and was signed by the governor. Dr. Rundell reviewed the status of the transfer, identifying some unexpected challenges, mostly related to human resource consolidation. A new facility, the Annex, is a 59-bed home with 39 memory care beds, a hot springs mineral pool, a movie theater and other amenities. The facility is divided into units, each of which has an individual kitchen. Most required state and local surveys have been completed, and the anticipated grand opening is November 1, 2017. Demographics were provided regarding the veterans served by the NMSVH, who range in age from 57 to 101 years of age. The facility is self-supporting. Customer satisfaction surveys place the NMSVH as "best in class" when compared to veterans' homes around the nation.

Potential risks to veterans are related to the medical nature of the services provided and the nature of licensure. For example, federal Health Insurance Portability and Accountability Act of 1996 protections must be observed; no smoking is permitted; and community donations of needed items are limited due to safety concerns. Careful attention is given to locked doors. Dr. Rundell reviewed the array of employment opportunities and benefits.

Committee members had questions and comments as follows:

- a request for information regarding the conditions most commonly encountered; chronic health conditions, such as diabetes and heart disease, as well as some psychiatric disorders;
- clarification regarding the demographic breakdown of residents; a small percentage are Hispanic, Native American and African American;
- clarification of the nature of memory care in the memory unit; residents must have a diagnosis of dementia;
- clarification regarding human resource needs; they are well staffed, and the only losses were the result of the consolidation;
- information regarding the number of people on the waiting list for memory care and whether the Annex will meet the state need; there are seven on the waiting list; Dr. Rundell believes the need for memory care far exceeds the capacity of the Annex;
- an observation that the closure of Yucca Lodge at Fort Bayard Medical Center impairs the state's ability to meet the needs of veterans; Alan Martinez, deputy secretary, VSD, noted that since Yucca Lodge has only one wing dedicated to veterans, it remains under the governance of the DOH;
- clarification regarding the percentage of residents who are in memory care; of 134 residents, 20 are in memory care;
- identification of the sources of funding; the U.S. Department of Veterans Affairs (VA), Medicaid and private funding;
- recognition that facilities for veterans are needed in other parts of New Mexico;
- whether veterans from out of state are eligible to become residents at the NMSVH; yes, since the NMSVH accepts federal funding;
- whether Medicare funds any part of care at the NMSVH; the NMSVH is certified to receive Medicare funding; however, Medicare funding is rare;
- whether transitional, community-based programs are available for those with short-term stays; there are active discharge plans required; the NMSVH does not provide post-discharge programs but must ensure that discharges are safe;
- details regarding the level of support from the DOH during the transitional period; the DOH has been very helpful and generous;
- whether the NMSVH has the ability to deal with alcohol and/or drug withdrawal; it is rare but available; and
- whether the NMSVH is staffed to adequately provide therapy services; yes, with professional services being largely contractual.

Deputy Secretary Martinez commented that the VSD is currently not adequately funded to expand services and facilities in other parts of the state; however, the department expects to make a legislative request in the next few years. He noted that additional capital outlay funding will probably be required to fully outfit the units within the Annex. A committee member wondered whether there is potential for tribal funding for this purpose. Dr. Rundell noted that, at this time,

federal law precludes this option. Deputy Secretary Martinez further noted that it is not possible since the state does not own the tribal lands.

Tour of AppleTree Educational Center (ATEC)

The committee members were transported to ATEC. A brief video presentation provided an overview of the many programs offered by the center, which has grown far beyond early childhood programs to encompass a school (through grade 12), home visiting, a teen center, a community art center and housing for interns, volunteers and AmeriCorps students who provide staff support for the many programs. Visits were made to several of the sites. Committee members expressed appreciation and awe at the breadth and scope of the programs offered through ATEC. Many thanks were offered to Representative Dow for the tour.

Public Comment

Hans Townsend, former president of the Sierra County Chamber of Commerce, expressed concern regarding funding cuts for drug testing within the Protective Services Division of the Children, Youth and Families Department (CYFD). Access to treatment programs relies on testing; the long-term effectiveness of programs suffers when there is no ongoing testing to ensure accountability. Committee members commented that these cuts were not mandated by the legislature and may have been internally directed.

Approval of Minutes

A motion was made, seconded and unanimously adopted to approve the minutes of July 17-18, 2017.

The Impact of Adverse Childhood Experiences (ACEs) on Child Development and Life Trajectory

Alejandra Rebolledo Rea, acting division director, Early Childhood Services, CYFD, and Representative Thomson, early learning fellow, National Conference of State Legislatures (NCSL), were invited to address the committee.

Representative Thomson identified elements and events that lead to ACEs and a scoring mechanism to rank and identify children at risk of or experiencing ACEs. These children are at high risk of numerous negative outcomes in life, including seven out of 10 causes of death. She identified statistics tied to ACEs scores, with higher scores being more predictive of negative outcomes without interventions. Severe ACEs can affect genetic material and be passed down through generations. Young children stressed by ACEs experience lifelong impacts.

Ms. Rebolledo Rea emphasized the importance of conditioning during early years of life to avoid the increased odds of later difficulties. She identified specific outcomes of ACEs and identified the importance of resilience in dealing with ACEs, noting that resiliency is a trait that can be fostered and can restore health and hope. The CYFD operates within a hierarchy of approaches that support early learning, including workforce development, prevention, promotion, high-level interventions and clinical treatments. Ms. Rebolledo Rea emphasized the importance

of continuous quality improvement, including training and ongoing support of early childhood care providers. She will send an electronic version of a training poster regarding ACEs to be posted on the website. She highlighted several programs and partnerships of the CYFD to help mitigate the negative impact of ACEs.

Committee members had questions and comments in the following areas:

- recognition of the high level of ACEs scores among incarcerated adults and the suggestion that funding for interventions early in life would reduce crime and prison later in life;
- the importance of better planning and quicker implementation of services in underserved areas of the state;
- whether there are, or can be anticipated, responses for immigrant children in fear of their futures; providers are beginning to address these issues; the CYFD appreciates the need to work with providers and families, where possible, to develop a safety plan for these children;
- whether there are enough trained people to support the home visiting program; program applications are solicited whenever federal funds are available;
- the importance of investing in early childhood services and aligning proposals arising from interim committees, including the Legislative Education Study Committee, Legislative Finance Committee and LHHS;
- clarification regarding outstanding requests for proposals (RFPs); one is for home visiting funding and another is for training for early childhood program providers;
- whether RFPs can be issued more frequently than every five years; yes, if there is additional money; and
- whether health care providers are, or should be, trained in what to look for to identify ACEs.

Early Childhood Services

A panel was assembled, including Erica Stubbs, chair, Early Learning Advisory Council (ELAC); Baji Rankin, Ed.D., executive director, New Mexico Association for the Education of Young Children (NMAEYC); Representative Dow; Andy Gomm, program manager, Family, Infant, Toddler (FIT) Program, DOH; and Ms. Rebolledo Rea.

Mr. Gomm provided a brief overview of the FIT Program, including the number of children served, eligibility criteria and the availability of providers. In 2016, the FIT Program served 14,647 children who were identified as victims of abuse, neglect or exploitation and who were appropriately referred by the CYFD. Due to massive growth in the program, funding is scarce to meet the known needs. A reimbursement rate study is currently being conducted using federal grant funds. The FIT Program has recently been recognized for its annual performance plan as well as for its state systematic improvement plan, according to Mr. Gomm. The FIT Program has been using federal Race to the Top funding to develop quality measures that are based on national best practice norms and to improve outcomes for at-risk children.

Ms. Stubbs described the mission and purpose of the ELAC and identified the representation of members of the committee. Three of the priorities of the ELAC are: (1) high-quality workforce; (2) access to services for all children who need them; and (3) increased school readiness. Additionally, the ELAC is policy oriented to ensure that funding is appropriately targeted and that alignments are in place to have as much consistency in needed services as possible. She anticipates having a report ready for the committee in November. The ELAC is due to sunset next year unless legislation is passed to extend its tenure. Related legislation that was passed during the 2017 regular session was not signed by the governor.

Ms. Rankin addressed issues regarding the early childhood workforce. The mission of the NMAEYC is to promote both quality and education, which it pursues through a variety of programs and partnerships. She provided data regarding children from low-income families in New Mexico and how subsidies for these children declined in the last two years. According to a CYFD Key Quarterly Performance Measures Report, only 7.8% are served in high-quality care. One factor producing this result is high turnover in the workforce. Wages are very low for early childhood education workers, resulting in high turnover. Two programs exist to address this disparity. T.E.A.C.H. is a scholarship program, and INCENTIVES provides financial incentives for educators. A tax credit for the workforce is an option that does not now exist but that might be considered.

A committee member commented on the importance of child care. She provided statistics regarding the percentage of working mothers and the high level of poverty in the state. Child care is both hard to find and expensive. The funding for child care is 80% federal funding, plus contributions by the families and other private sources. She advocated for higher levels of funding for high-quality child care. Head Start programs, which are 100% federally funded, should be supported so that state dollars can go further for child care.

Questions and comments from committee members were in the following areas:

- whether star levels of quality in child care centers are standardized; yes, and they are widely publicized; the higher the level, the higher the reimbursement;
- whether the star ratings are an accurate reflection of the quality of care being provided; not necessarily; some programs elect to stay at a lower level to avoid additional regulations, to be less limited in reimbursement and to best represent the needs of their communities;
- clarification regarding the differences between the work of the J. Paul Taylor Early Childhood Task Force and the ELAC; the J. Paul Taylor Early Childhood Task Force is focused on a medical model of treating childhood behavioral health issues;
- clarification regarding the model for reimbursement for child care facilities; it amounts to approximately \$540 per child per month;
- clarification regarding the percentage of children receiving subsidies for child care;
- whether there is a preference for home-based or center-based child care; it may depend on preference or availability;

- questions regarding funding and expenditures for the NMAEYC;
- requirements for recipients to receive scholarships and incentives; and
- concern regarding over-reliance on federal funding, due to long-term unreliability of such funds, and a pitch to support legislation to dedicating 1% of the permanent fund for early childhood services.

New Mexico E911 Directors Affiliate: Current Issues

Ken R. Martinez, director, Santa Fe Regional Emergency Communications Center, and chair, E911 Directors Affiliate, New Mexico Association of Counties; Dave Ripley, vice chair, E911 Directors Affiliate, and director, San Juan County Communications Authority; and Michelle Howard, 911 director, Sierra County Regional Dispatch Authority, addressed the committee.

Mr. Martinez provided an overview of the 911 program. He stressed the importance of the surcharge funding for 911 services; however, the funding is still inadequate. He proposed a solution that is successful in other states to establish a statewide 911 oversight board to administer and manage 911 programs around the state. Such funding would also support Next Generation 911 (NG911) technology that will be essential to effectively operate a 911 system in New Mexico. New Mexico is one of only five states that does not have a plan for NG911, which essentially eliminates eligibility to apply for funding for this purpose. It is hoped that a fully developed proposal will be ready for introduction during the next 60-day legislative session. Many states are well ahead of New Mexico; it is crucial that the state align with NG911 efforts for the most optimal system to be in place.

Mr. Ripley noted that the Department of Finance and Administration is currently a barrier in moving forward in planning. There seems to be little appreciation of the necessity for developing a plan, even in the face of ineligibility for federal funding due to lack of a plan. For example, development of texting capability for 911 calls is critical for speech- and hearing-impaired individuals; however, New Mexico does not have this technology. Improvements are being made in disparate parts of the state without research or studies about the efficacy of those improvements. Professionals in the 911 system are often not involved in decision making. The establishment of a statewide board would ensure consistency and availability across the state and the best decisions regarding use of available funds.

Ms. Howard highlighted how delays in approving funding for 911 upgrades have negatively affected Sierra County.

Committee members had questions and concerns as follows:

- clarification regarding what the LHHS can do to help; awareness of the emergent nature of the problem and readiness to advocate for legislation when it is introduced;
- recognition of the need for backups in meeting statewide needs when local systems cannot handle the load;

- questions regarding the sponsorship and reasons for the failure of the surcharge bill introduced in the 2017 regular session;
- recognition that during a typical holiday weekend, the population of Sierra County can grow from 11,000 to 140,000;
- whether the federal government has established a deadline for implementation of NG911; it hopes to have it in place by 2020;
- clarification regarding failures or downtime in a 911 center; it is very rare; it is catastrophic when it happens;
- whether capital outlay funds can be used for phone system improvements; it might be possible for inclusion in the statewide capital outlay bill; a model might be the capital outlay funding for senior centers;
- recognition of the importance of a statewide planning board to ensure that priority needs are addressed; and
- whether there are known data regarding the nature of 911 calls.

A motion was made by Representative Thomson and seconded by Senator Ortiz y Pino to request that Mr. Hely draft a house joint memorial to study the recommendation for a statewide 911 board and to identify funding opportunities and what it would take to move to an NG911 system. The motion carried unanimously.

Public Comment

Julia Sullivan, director, Sierra Health Care, asked for committee support for additional funding for nonprofit long-term care facilities and services. Difficulties arise in providing personal care services due to very low wages for personal care providers. Finally, food programs for seniors are underfunded, resulting in many people not being fed. Payment for meals is drastically less in Sierra County than in metropolitan areas.

Ramona Jameson self-identified as a long-term drug addict. She asserted that marijuana is a gateway drug that led her to depression and consideration of suicide. She is very passionate about this issue.

Dallas Lipscomb, a physician assistant, said that for a small community, there is a very high percentage of very sick people in Truth or Consequences. Too few health care professionals are employed in the county to serve a high number of underserved and poor individuals. Patients are often discharged from health facilities without a home or a car. More medical and mental health care providers are needed to serve these critical needs.

Toby Boone, Elephant Butte Fire Department, thanked the committee for hearing testimony regarding 911. He also spoke as the owner of a physical therapy business. He stated his belief that taxes have been lowered in neighboring states while New Mexico's have not decreased. Health care professionals are incentivized to leave the state to live where taxes are lower. He encouraged the committee to look for ways to lower taxes for health care professionals.

Virginia Lee, jail administrator, Sierra County Detention Center, praised the new Narcan (naloxone) administration program in the county. There is a huge overdose problem in Sierra County that this program will benefit, she said. Mental health issues, however, are not well addressed, especially pre-detention, crisis services. Ms. Lee stated that services such as these could reduce the incidence of incarceration. Jails are overwhelmed with people with serious mental health conditions, while people arrested without these issues end up with much shorter stays. A committee member stated that managed care organizations (MCOs) are denying services for mental health conditions and are claiming that they have an adequate network to meet current needs.

Recess

The chair recessed the meeting for the day at approximately 5:50 p.m.

Thursday, September 7 — Burrell College of Osteopathic Medicine (BCOM), Las Cruces

The meeting was reconvened by the chair at 9:03 a.m. Members introduced themselves.

Welcome to BCOM and New Mexico State University (NMSU)

John Hummer, president, BCOM, provided welcoming remarks. He gave a brief history of the creation of BCOM, which is a public-private partnership with NMSU. He thanked Garrey Carruthers, Ph.D., president, NMSU, for his support and role in development of this partnership. Dr. Hummer invited Dr. Carruthers to make comments.

Dr. Carruthers expressed his excitement upon the creation of BCOM, noting that also on campus is a high school program designed to guide students into the field of medicine. He briefly updated the committee on the status of NMSU enrollment, which currently has the largest freshman class in the history of the university. He highlighted a program known as the Aggie Pathway, which is a partnership with the local community college to promote readiness to become a student at the university. Last year, NMSU had the highest graduation rate since 2001. Dr. Carruthers thanked the legislature for its support.

George Mychaskiw, dean and chief academic officer, BCOM, also welcomed the committee. He highlighted the goals as well as the early successes of BCOM. Applications have been very healthy, increasing substantially in the second year of operations, despite a declining trend for admissions to medical schools in the nation. The enrollment is quite diverse, with a high percentage of Hispanics and Native Americans.

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

- clarification regarding the extent of community college partnerships in the Aggie Pathway program;
- a request for information regarding new developments at NMSU; the campus will have a hotel that will employ mostly NMSU students; Aggie Uptown will provide

- medical office space; in the future, a golf course will be co-located with a continuing care community;
- clarification regarding the extent of student collaboration with NMSU;
 - how BCOM is funding residencies; some Medicare residencies are being funded in hospitals that have never had a resident before; some Medicaid residencies have been funded for psychiatry but have never been utilized before; BCOM is working hard in this area, including seeking private funding opportunities; and
 - ways in which BCOM is working to keep graduating medical students in New Mexico; it is working with United States Senator Tom Udall to facilitate a program that will partner with the VA hospital.

Residency Programs in Rural New Mexico

Oliver Hayes, D.O., senior associate dean for clinical education, BCOM, Mike Nelson, deputy secretary, Human Services Department (HSD), and Betty Chang, M.D., associate dean for graduate medical education, University of New Mexico (UNM) Health Sciences Center, were joined through telepresence by Lisa Waugh, program principal, Health Program, NCSL, and were invited to address the committee.

Dr. Hayes provided background information on graduate medical education (GME), as well as what it takes to develop new programs. GME is formal, sponsored training that follows graduation but precedes the independent practice of medicine. This is commonly known as residency. Residencies vary in length from three to five years, depending on the nature of the specialty. There are 10,000 residency and fellowship programs in the United States, training 130,000 residents in 750 sponsoring institutions. Funding for residencies is an estimated \$16 billion, most of which comes from Medicare. Other funding sources include Medicaid, the VA, teaching health centers, children's hospitals and the United States Department of Defense. Development of residency programs at the state level is driven by financing and policy goals. State policymakers have become interested in GME largely due to recognition of the need to grow a medical workforce in the state. State policies must include strategic, economic, performance and operational elements to be successful.

Ms. Waugh provided a comparative overview of how some states are handling GME. Medicaid is the second-largest funder of GME; however, there is great variation across the states in how this is done. Additionally, there is great variation in how the funds are distributed from state to state. Ms. Waugh gave detailed information regarding the mechanism by which the Four Corners states handle GME through Medicaid. States are beginning to refine their Medicaid GME programs to accommodate managed care models of reimbursement.

Dr. Chang provided her viewpoint on what works and what does not work in GME in New Mexico. Current state workforce reports reflect that New Mexico remains extremely challenged in its lack of medical workforce. GME has traditionally been viewed as a valuable vehicle to promote workforce development. Data reflect that in-state residencies increase the potential for doctors to remain in the state. The pipeline from medical school to residency to

employment shows that of 400 graduates of UNM School of Medicine, around 30 go on to in-state residencies. Dr. Chang identified numerous reasons medical students and residents locate in New Mexico. Aligning a residency with those reasons tends to result in more positive outcomes. Integration into a community is a very important element, as is the support of local physicians to work with residents. Challenges for residencies include accreditation requirements, the cost of residency and support of leadership.

Deputy Secretary Nelson reviewed Medicaid spending on indirect medical education (IME) and GME from 2013 to the present, showing an increasing commitment of Medicaid dollars, totaling \$107,583,909 in 2017, divided among six institutions. In March 2016, the federal Centers for Medicare and Medicaid Services approved the Medicaid state plan for an alternative payment methodology for primary care residencies. Certain federally qualified health centers (FQHCs) that train primary care residents are eligible for this alternative methodology. Centennial Care 2.0 will seek additional flexibility for this program. The HSD appreciates the importance of GME for workforce development.

Committee members had questions and comments in the following areas:

- clarification of barriers to fully implementing primary care residencies in FQHCs; discussions are under way; reimbursement is limited and start-up costs may be a problem; facilities must be prepared to make a commitment for the full length of the residency;
- why IME is not utilized more; it requires a platform of 125 residents for a sponsoring institution to qualify;
- whether BCOM currently has any residencies; BCOM's model is to work with sponsoring institutions to have residents, which would then become the teaching hospital in that community;
- whether state funding for residencies at UNM is continuing; funding was discontinued after two years, which put the full burden of the residencies on UNM; once a resident is in a program, the institution has a commitment for funding for the full length of the residency;
- clarification regarding the year that the Texas Legislature established a permanent fund for residency programs; Mr. Hely stated that Texas passed the permanent fund law in 2015; a member expressed an interest in considering endorsement of such a concept for New Mexico;
- clarification regarding quality initiatives in GME; at UNM, comparative data are being gathered regarding outcomes; also, residents are being trained in how to identify metrics and monitor results;
- observation of the paucity of psychiatrists in New Mexico;
- observation that reported data on workforce shortages in New Mexico may actually be worse than represented;
- clarification regarding the actual number of residencies; just over 600;

- clarification regarding the per resident funding support when Medicare and Medicaid are combined; GME and IME dollars do not only pay for individual costs of residents, they also pay for elements of patient care and other infrastructure costs of having residents;
- whether residents can bill for services; no;
- the time it takes to accomplish all requirements to be a sponsoring institution or clinic; meeting the requirements can take two to three years; there is no Medicare or Medicaid funding to offset start-up costs;
- clarification between osteopathic medicine and allopathic medicine; the osteopathic profession has evolved into a greater focus on primary care and rural practice;
- clarification from Ms. Waugh that New Mexico is one of several states working with the NCSL on rural health care issues;
- clarification regarding the ratio of supervising physicians to residents; it varies based on the nature of the residency;
- clarification regarding how much supervising staff is required to meet requirements to be a sponsoring institution; it is not straightforward; however, it is roughly four full-time physicians to 12 residents per year; accrediting entities set the requirements;
- recognition that it is difficult for FQHCs to meet the requirements; they would have to partner with a larger, tertiary institution; and
- a recommendation that New Mexico should make a bigger commitment to training primary care physicians and do everything possible through Medicaid to focus on family practice and primary medicine.

Charlie Alfero, New Mexico Public Health Institute, spoke to the complexity of FQHC participation in GME; he suggested that appropriate criteria for Centennial Care 2.0 be those sites that are eligible to participate in GME and able to participate in the necessary training.

Public Comment

Jamie Michael, director, Dona Ana County Health and Human Services Department, highlighted the residency program at Memorial Medical Center that provides outreach to community-based care. She noted that the county has allocated \$275,000 to support a manager and to fund start-up costs at La Clinica de Familia to develop an FQHC-based residency program.

Jason Trujillo, Positive Outcomes in Socorro, identified the nature of personal care services models. He described problems with electronic visit verification (EVV). This system is challenging in areas of the state that lack broadband coverage. Alternative mechanisms for complying with EVV have resulted in increased administrative costs and time for billing for services. United Healthcare (UHC) has notified Positive Outcomes of a substantial recoupment that must be repaid. Positive Outcomes contends that UHC of New Mexico has established this recoupment in error and is seeking to recoup claims that UHC has consolidated, versus recoupment for manually billed claims. Mr. Trujillo recommends that payment for personal care services models should be revisited and simplified. Further, Positive Outcomes believes that on-

site review of claims is called for before recoupment occurs. Deputy Secretary Nelson noted that a meeting has been scheduled to examine this issue with the affected parties.

Tour of BCOM

Committee members and others were provided a tour of the educational facilities of BCOM.

New Mexico Hospital Association (NMHA) Update

Jeff Dye, president and chief executive officer (CEO), NMHA, introduced a panel of hospital CEOs and others, including Jim Heckert, Gerald Champion Regional Medical Center; John Harris, Memorial Medical Center, Las Cruces; Denten Park, MountainView Regional Medical Center, Las Cruces; Kelly Duke, Mimbres Memorial Hospital, Deming; Troy Clark, vice president, regional delivery system operations, Presbyterian Healthcare Services; and Christina Campos, administrator, Guadalupe County Hospital, Santa Rosa.

A video highlighting Guadalupe County Hospital demonstrated the nature of hospital care in very rural hospitals in New Mexico. Mr. Dye reviewed key characteristics of hospitals throughout the state. The economic impact of hospitals in the state is an estimated \$7.3 billion. Hospitals in the state provided 166,222 hospitalizations, delivered 25,730 babies and provided \$248 million in uncompensated care. Of 45 member hospitals, 13 are designated trauma facilities and 300,000 volunteer hours were provided. Statistics and outcome metrics in patient safety and quality were identified.

Mr. Heckert briefly described Gerald Champion Regional Medical Center in Alamogordo. It is the largest employer in Otero County. He addressed the importance of revenue predictability and stability and described significant barriers to access to behavioral health services, noting that a lack of intermediate levels of care results in overuse of emergency departments and inpatient settings. Mr. Heckert contends that there is a behavioral health workforce crisis.

Mr. Harris described features of Memorial Medical Center, noting the economic impact in Dona Ana County. He noted that Memorial is in the process of transitioning from a hospital to an integrated system of care in Las Cruces. He emphasized the critical importance of a high-level commitment to quality, such as harm reduction initiatives. Innovative approaches to improving quality were described. Finally, Mr. Harris underscored the importance of managed care oversight and uniformity with regard to payment, credentialing and other efforts to enhance efficiency and effectiveness.

Phillip Rivera, president, physician services, Memorial Medical Center, spoke to the challenges of inadequate physician supply in all specialties, an aging labor force, Medicaid expansion and reimbursement, lack of enforcement of regulation and fair market value reimbursement. Together, these issues will lead to a further shrinking of the supply of physicians, economic stagnation and an inadequate health system, he said.

Mr. Park presented on the economic value of MountainView Regional Medical Center in Dona Ana County. The issues he raised included the high cost of hospital professional liability. The Medical Malpractice Act allows some hospitals, along with physicians, to be included in liability protections; 15 hospitals in New Mexico have accessed this protection. He stressed the importance of maintaining this access.

Mr. Duke highlighted the economic value of Mimbres Memorial Hospital and Nursing Home in Deming. Issues of concern to him include workforce issues and the need to not only sustain but expand professional loan repayment programs so that rural hospitals may benefit from them. He also argued in favor of a requirement that Medicaid pay at least 100% of the cost of providing care in order to minimize cost shifting to commercial plans and other nonmatched, governmental programs such as the Interagency Benefits Advisory Committee. He described growth initiatives for the hospital and the nursing home to improve programming and better serve the patients of Luna County.

Mr. Clark noted that Presbyterian Healthcare Services' regional hospitals have an economic impact in five counties. The amount of economic activity generated by each of those hospitals was identified. He stressed the importance of community-based care coordination, especially in rural areas. He noted that hospitals in frontier areas are particularly vulnerable and may need a different payment and delivery model to survive.

Ms. Campos also noted the economic impact of Guadalupe County Hospital in Santa Rosa. The hospital is the smallest in New Mexico with only 12 beds, but if it were to close, there would be no hospital services within 188 square miles. Thanks to Medicaid expansion, the uninsured population in Santa Rosa was reduced from 18% to 3%. She spoke of the work of the American Hospital Association to ensure access to care in vulnerable communities. A task force identified 12 priorities to help very small, rural hospitals survive. These hospitals need stable and predictable revenues and protection of trauma funding to maintain access to these services.

Committee members asked questions and made comments on the following topics:

- a request for an update on the efforts to create a safety net care pool program; Mr. Dye noted that the fund is benefiting 29 hospitals in New Mexico; a pool to collect money for quality improvement efforts is growing; the NMHA is concerned that the waiver renewal proposals may harm the effectiveness of this program;
- concern regarding oversight of Medicaid MCOs; special concern was expressed regarding delays in provider credentialing;
- concern regarding guardianship inefficiencies resulting in an inability of hospitals to safely discharge some patients;
- whether appointment of a special master would be helpful in the above-mentioned problem; yes; there needs to be a different solution that still protects the patient; the NMHA submitted comments to the New Mexico Adult Guardianship Study Commission;

- recognition that changes to the gross receipts tax obligation for some hospitals together with opportunities to obtain federal matching dollars would go far to mitigate the negative effect of budget cuts; early discussions are under way to refine the bill introduced in the last legislative session to make it more acceptable to the governor; the approach would, in the NMHA's view, provide needed stability and predictability of funding;
- an assertion that oversight and enforcement of credentialing regulations is needed, particularly at the MCO level;
- a question of what agency should be in charge of this enforcement; what would be the most helpful would be to have consistency between Medicaid and the Office of Superintendent of Insurance;
- the importance of New Mexico's participation in an enhanced compact to continue to allow nurses to travel from out of state and practice short term in the state; it is an important way to get coverage when needed, given the shortage of nurses;
- at what point in the reimbursement cycle Medicaid MCOs receive their money; they are paid monthly on a per member, per month payment from the HSD; they pay claims from that pool of money;
- an observation that when Centennial Care began to require MCOs to provide care coordination, the MCOs hired 2,500 nurses out of the workforce into care coordination jobs, thereby exacerbating the nursing shortage in hospitals;
- recognition of the cumbersome nature of certain pre-authorization requirements for veterans to receive services outside of the VA hospital;
- whether hospital access to the Medical Malpractice Act has threatened the solvency of the fund; hospitals have contributed enough money to essentially fund their own claims and have greatly reduced the threat of insolvency;
- input from Deputy Secretary Nelson that the HSD is providing oversight of the MCOs, which would like the opportunity to present their input on this issue;
- whether hospitals have the same requirements as physicians to be reviewed by the medical legal panel; the answer provided was "yes";
- whether there is any expectation that MCOs participate in helping with recruitment and retention of providers; not specifically;
- whether Hospital Services Corporation is still involved in credentialing; yes, in credentialing verification for hospitals; health plans, however, conduct their own credentialing, a process that must be repeated multiple times, by multiple bodies and plans; the NMHA is working to accomplish "delegated" credentialing so that health plans would accept credentialing done by the hospitals; and
- an observation that psychologists are also looking at a licensing compact.

Public Comment

Dona Ana County Commissioner Billy G. Garrett reiterated that Dona Ana County is very concerned about the problems with recruitment and retention of physicians. He expressed appreciation to the committee for covering this issue. He urged accountability and compliance with existing laws and regulations before taking action to reform a system.

Kamran Kamali, M.D., identified himself as the only board-certified general surgeon south of Albuquerque. He believes that New Mexico has become very unfriendly to physicians, exacerbating the problem of physician recruitment and retention. Dr. Kamali strongly suggested action by the committee to begin to address this problem.

Adjournment

There being no further business, the meeting was adjourned at 4:45 p.m.