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SENATE JOINT MEMORIAL 40

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Linda M Lopez

FOR THE LEGISLATIVE HEALTH SUBCOMMITTEE

A JOINT MEMORIAL

REQUESTING THAT THE HUMAN SERVICES DEPARTMENT DEVELOP AUDITS OF ACTUAL PERFORMANCE UNDER EXISTING CONTRACT STANDARDS FOR HEALTH CARE PROGRAMS.

WHEREAS, the medicaid program and the state children's health insurance program comprise one of the largest state expenditures, accounting for almost nine percent of the state's general fund and almost nineteen percent of the state's operating budget; and

WHEREAS, various interim and statutory legislative committees have expressed concerns about financial accounting and performance standards in the administration of medicaid and the state children's health insurance program; and

WHEREAS, recent audits by the legislative finance committee have identified various areas for improvement in the

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1 cost-effectiveness of medicaid and state children's health
2 insurance program and in monitoring of contractor performance;
3 and

4 WHEREAS, medicaid managed care organizations and other
5 contractors for health care services are required to report
6 vast amounts of data to the human services department; and

7 WHEREAS, strong oversight of providers and contractors
8 and thorough analyses of reported information are necessary to
9 ensure fiscal accountability and compliance with performance
10 standards; and

11 WHEREAS, since 1997, the consumer price index has slowed
12 to one and nine-tenths percent while health care inflation has
13 steadily increased to a current level of four and eight-tenths
14 percent, demonstrating a need for increased monitoring of
15 state health care expenditures and performance;

16 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
17 STATE OF NEW MEXICO that the human services department be
18 requested to develop audits of actual performance and health
19 care expenditures and remedies to correct discrepancies and
20 noncompliance under existing contract standards to ensure
21 fiscal and performance accountability; and

22 BE IT FURTHER RESOLVED that the human services department
23 provide its findings and recommendations to the legislative
24 health subcommittee or other appropriate interim committee by
25 October 1, 2002; and

BE IT FURTHER RESOLVED that a copy of this memorial be

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transmitted to the human services department.

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