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FISCAL IMPACT REPORT

ORIGINAL DATE 2/12/16

SPONSOR Papen LAST UPDATED _____ HB _____

SHORT TITLE Alternative Medicine Services Meetings SM 94

ANALYST Clark

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Up to \$20.0			Up to \$20.0	Nonrecurring	General Fund, Other Funds

Parenthesis () indicate expenditure decreases

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of Superintendent of Insurance (OSI)
Regulation and Licensing Department (RLD)
Medical Board

SUMMARY

Synopsis of Bill

Senate Memorial 94 requests the Office of Superintendent of Insurance (OSI) to convene a meeting of stakeholders on reimbursement and cost-sharing practices of state group health plans and health insurers with respect to complementary and alternative medicine services.

Specifically, the memorial requests OSI to convene a meeting of stakeholders to discuss the following business policies or practices in effect at any time on or after January 1, 2014 for group health plans for state employees, local public bodies, public schools and institutions of higher education, and for the state's 10 largest health insurers, based on the number of covered lives that are regulated by OSI:

- A. reimbursement of complementary and alternative medicine services;
- B. patient cost-sharing for complementary and alternative medicine services;
- C. reimbursement of conventional medical providers who see patients for chronic pain;
- and
- D. patient cost-sharing for visits to conventional medical providers for chronic pain.

The memorial also requests stakeholders to provide input for these same group health plans and health insurers with respect to business policies or practices in effect at any time on or after January 1, 2014 on:

- A. whether reimbursement and patient cost-sharing have contributed to or correlate with patterns of increased prescribing of opioids for diagnoses of chronic pain or have resulted in or correlate with a decreased use of complementary and alternative medicine for chronic pain;
- B. the financial impact of reimbursement and patient cost-sharing on New Mexico's providers of complementary and alternative medicine;
- C. the financial impact on patients who have sought access to complementary and alternative medicine services; and
- D. whether reimbursement and patient cost-sharing pose barriers to making integrative medicine more widely available to insured New Mexicans.

The memorial states stakeholders should include, at a minimum, representatives of:

- A. complementary and alternative medicine professions that are licensed or otherwise authorized to practice in New Mexico;
- B. health care systems, providers, or facilities that offer integrative medicine in New Mexico;
- C. tribal health care providers;
- D. the University of New Mexico center for life;
- E. the University of New Mexico cancer center;
- F. the 10 largest health insurers in the state;
- G. OSI;
- H. the New Mexico Health Insurance Exchange;
- I. the Department of Health;
- J. the Medical Assistance Division of the Human Services Department;
- K. the Risk Management Division of the General Services Department;
- L. the Board of Pharmacy;
- M. patient and consumer advocates; and
- N. such other parties as determined by OSI.

The memorial requests OSI to report its findings and recommendations resulting from the stakeholder meeting to the interim Legislative Health and Human Services Committee no later than October 1, 2016.

FISCAL IMPLICATIONS

There would be an operating budget impact to each agency requested to attend the meeting to pay for mileage and per diem expenses. Additionally, OSI might need to rent a large meeting space to hold the number of attendees called for in the memorial.

SIGNIFICANT ISSUES

The Regulation and Licensing Department (RLD) reports integrative medicine is becoming part of conventional medical programs in the nation's most respected and innovative health care systems. This would include reimbursement of complementary and alternative medicine services, which include and encourage health insurers to pay for non-pharmaceutical alternatives

to treat chronic pain. This would serve as an alternative to the use of opioid pharmaceuticals especially because of the current prescription opioid epidemic.

The Medical Board also reports there is a prescription opioid epidemic and a need for more treatment in general, including non-pharmaceutical alternatives to treat chronic pain through access to complementary and alternative medicine. According to the memorial, integrative medicine “may help reduce the severity or frequency of disease episodes, and decrease stress related to chronic pain.” Thus, it seems counterintuitive to limit access to all licensed healthcare providers, alternative or conventional. On the other hand, whatever modalities are chosen, those therapies must be clinically proven and established modalities effective at treating chronic pain.

OSI provided the following additional analysis.

OSI is tasked with supporting the statutes created by legislative action, which sets the limits for providers. For example, there is a statute which says that Doctors of Oriental Medicine must be treated as primary care physicians, but there is no statute which says they must be included in a health insurer's provider network. OSI looks at health insurance provider networks to make sure they meet the statutes and regulations.

If a carrier has an approved provider and that provider is not receiving timely reimbursement, the provider can use the existing complaint process to seek OSI advocacy in resolving the situation.

In summary, OSI believes that if the goal of the stakeholder group is to change the existing structure of health insurance provider network requirements, it will need to be a legislative change. OSI is already being asked by the Legislature to lead stakeholder groups and implement new changes in many areas (for example, pharmacy benefits and pricing, responsiveness to provider applications, and implementing coverage of abuse-deterrent opioids). We are not sure that the group described in this memorial necessarily needs to be led by OSI, since we have limited authority to change the existing rules - they must conform to statute.

In addition, the input sought by this memorial on various topics, such as patient financial impact of alternative medicine vs. opioids is really under the scope of the Department of Health (DOH), rather than OSI. This task force may be better led by DOH.

OSI currently has a network adequacy workgroup to evaluate the current network adequacy regulations in relation to the new National Association of Insurance Commissioners model. We have a diverse group of stakeholders including Dr. Babette Saenz, doctor of Oriental medicine, and Dr. Patrick Nuzzo from Naprathic Medicine of New Mexico.

Creating a report by the date proposed in this memorial will be difficult due to the complexity of the tasks and the diversity of the stakeholders.