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HOUSE MEMORIAL 83

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

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A MEMORIAL

REQUESTING THAT THE SECRETARY OF HUMAN SERVICES AND THE SECRETARY OF HEALTH WORK WITH THE NEW MEXICO HEALTH CARE ASSOCIATION AND INDIVIDUAL LONG-TERM CARE NURSING FACILITIES TO ADDRESS THE GRAVE CHALLENGES THAT LONG-TERM CARE NURSING FACILITIES ARE FACING WITH REGARD TO REIMBURSEMENT RATES AND THE REGULATORY ENVIRONMENT.

WHEREAS, long-term care nursing facilities that provide essential care to some of New Mexico's most vulnerable residents are facing a budget crisis statewide; and

WHEREAS, medicaid daily reimbursement rates for long-term care nursing facilities have been lower than the cost of providing that care for many years and that discrepancy has been steadily increasing; and

WHEREAS, the latest independent study shows that New

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1 Mexico facilities receive only eighty-nine and four-tenths
2 percent of the cost it takes to care for patients receiving
3 long-term care; and

4 WHEREAS, many nursing facility residents are able to
5 receive care in these long-term care nursing facilities because
6 they are recipients of medicaid; and

7 WHEREAS, medicaid is the largest payer source for long-
8 term care nursing facilities; and

9 WHEREAS, the patient population of many rural long-term
10 care nursing facilities is composed of over ninety-five percent
11 medicaid recipients, which makes it virtually impossible for
12 other funding sources to make up for medicaid's reimbursement
13 shortfall; and

14 WHEREAS, a funding shortfall on the average of twenty-two
15 dollars forty-six cents (\$22.46) per patient per day for a one-
16 hundred-bed facility equates to a loss of about eight hundred
17 twenty thousand dollars (\$820,000) for that long-term care
18 nursing facility per year; and

19 WHEREAS, long-term care nursing facilities also face great
20 frustration with the eligibility and claims process for
21 medicaid and have expressed huge concerns with cash flow
22 shortfalls due to eligibility and claims processing delays; and

23 WHEREAS, long-term care nursing facilities are one of the
24 most regulated industries in the United States, being much more
25 heavily regulated than any other health care providers; and

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1 WHEREAS, intense regulatory oversight causes long-term
2 care nursing facility costs to be significantly higher than
3 necessary in order to meet the very onerous state and federal
4 requirements; and

5 WHEREAS, since October 2014, New Mexico long-term care
6 nursing facilities' regulatory environment has changed
7 drastically; and

8 WHEREAS, in 2014, the department of health's issuance of
9 immediate jeopardy citations, whereby the department
10 characterizes conditions at a long-term care nursing facility
11 as presenting an immediate jeopardy to residents, rose one
12 hundred fifty percent from the number of immediate jeopardy
13 citations issued during the previous year; and

14 WHEREAS, in 2016, the rate of immediate jeopardy citations
15 issued was fourteen and seven-tenths percent statewide, which
16 represents the highest rate of immediate jeopardy citations in
17 the United States; and

18 WHEREAS, the percentage of long-term care nursing
19 facilities with immediate jeopardy citations in 2016 in
20 neighboring states, all which operate under the same federal
21 regulations as New Mexico, were significantly lower: in
22 Colorado, two and three-tenths percent; in Arizona, six and
23 eight-tenths percent; and in Texas, two and three-tenths
24 percent; and

25 WHEREAS, in 2016, under the administration of President

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1 Barack Obama, the federal centers for medicare and medicaid
2 services issued a directive that doubled all sanctions on long-
3 term care nursing facilities; and

4 WHEREAS, fines levied upon long-term care nursing
5 facilities in New Mexico were at six hundred forty-eight
6 thousand dollars (\$648,000) before the sanctions were doubled;
7 and

8 WHEREAS, many long-term care nursing facilities face
9 closure by the department of health for a regulatory climate
10 that has become extremely overzealous and that does not compare
11 with other health care providers such as hospitals, physicians
12 and clinics;

13 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
14 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the secretary
15 of human services and the secretary of health be requested to
16 work with the New Mexico health care association and individual
17 long-term care nursing facilities to address the grave
18 challenges that long-term care nursing facilities are facing
19 with regard to reimbursement rates and the regulatory
20 environment to devise solutions to ensure the solvency of New
21 Mexico's long-term care nursing facilities and thereby ensure
22 the availability of the essential care that they provide to
23 vulnerable New Mexicans; and

24 BE IT FURTHER RESOLVED that the secretary of human
25 services and the secretary of health be requested to seek

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1 federal authority and assistance to better fund and create a
2 friendlier regulatory climate in which these long-term care
3 nursing facilities may operate; and

4 BE IT FURTHER RESOLVED that the secretary of human
5 services and the secretary of health be requested to report on
6 the progress of their respective departments' efforts to better
7 fund and create a friendlier regulatory climate in which long-
8 term care nursing facilities may operate statewide to the
9 legislative health and human services committee and the
10 legislative finance committee by November 1, 2017; and

11 BE IT FURTHER RESOLVED that copies of this memorial be
12 transmitted to the governor, the secretary of human services,
13 the secretary of health, the legislative health and human
14 services committee and the director of the legislative finance
15 committee.