

Centering Patients and Providers in Solutions to the New Mexico Health Care Shortage

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Overview

1. Review NM's History of centering patient safety and recruiting/retaining providers
2. Update the committee on HB75/patient compensation fund (PCF), relevant to provider shortage
3. Share solutions for the health care provider shortage

New Mexico has a history of valuing patients' access to safe, affordable health care

1976- The Patient Compensation Fund created care for patients harmed by medical negligence

2018- Medicaid Expansion increased health care coverage to people at or below 138% of the FPL

2021- Health care affordability fund (SB317) to reduce health care costs to patients - being implemented

2021- HB75/PCF continued NM's history of valuing safe, quality health care for patients

- HB75 Recognized patients harmed by medical negligence were carrying the financial burden of that harm with unfair limits on compensation for the harm caused. The Legislature increased the caps in HB75, with just 5 Senators voting against the compromise and concurrence in the House.

This week at LHHS: presentations repeatedly reference health equity and patient centered solutions

Update on HB75/ PCF

- HB75 revealed the prior OSI Superintendent's mismanagement of the PCF.
- HB 75 established a PCF Advisory Board and third-party administrator, which revealed the PCF was near bankruptcy. (In response, the Legislature appropriated \$30m to the PCF in the 2022 Session.)
- Another \$30m will be requested in the 2023 Session to save the PCF and reduce costs to providers.

HB75 was a historic compromise

For decades, legislators urged disagreeing parties to compromise on solutions to addressing patient harm. The historic HB75 compromise was written and supported by:

- Patients
- NM Medical Society
- NM Hospital Association
- NM Nurses' Association
- NM Trial Attorneys

Confusion about HB75/PCF and provider shortage

Recent information attributes HB75 as one reason for the shortage, but fair compensation to patients does NOT cause shortages. **NM's shortage is due to:**

- A history (more than a decade) of losing physicians (long before HB75 became law)
- Insurance industry's continued increased rates, while their profit is at its highest

*<https://centerjd.org/content/fact-sheet-caps-do-not-lower-insurance-premiums-doctors-and-insurance-insiders-admit-it>

1.5 million health care jobs were lost in the first two months of COVID-19.

Health care employment remains below pre-pandemic levels

-U.S. Bureau of Labor Statistics

Protecting Providers and Patients: Solutions to the Provider Shortage

1. Incentivize Providers- There is a national healthcare workforce shortage. NM is no longer competing with its neighbor states. It's competing with every state. We can incentivize providers through:

- Rural tax credits
- Loan forgiveness & free tuition
- Reduced licensing fees
- Signing bonuses and travel reimbursement
- State funding for start up rural community providers
- Increasing Medicaid reimbursement rates
- Expediting credentialing and providing application support

Protecting Providers and Patients: Solutions to the Provider Shortage

2. Ensure safe care:

A small number of providers cause harm to patients from negligent care. Holding those providers responsible helps patients and reduces costs to the PCF and to other providers in the PCF.

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3750392

3. Save the Patient Compensation Fund

The PCF was mismanaged by a prior administrator and now needs another \$30m in state funding to sustain it.

Protecting Providers and Patients: Solutions to the Provider Shortage

4. Hold the insurance industry accountable- Each time New Mexico steps up to protect patients and providers, insurance companies threaten to leave our state (1976, 2021, 2022).

This year, the industry accumulated record profits -**\$800 Billion**- yet, they continue to threaten our providers with increased premiums and create the illusion they are too financially fragile to pay claims to harmed patients.*

*Source: <https://consumerfed.org/wp-content/uploads/2021/04/How-the-Cash-Rich-Insurance-Industry-Fakes-Crises-and-Invents-Social-Inflation.pdf>

Centering Patients = Centering Providers

What has been present in much of the information given to LHHS over the past two days is broad agreement on data and evidence-based solutions that center patients and providers to increase safe care. Similar to the compromise reached between patients and providers in HB75/PCF, we should all work together to get to these solutions.

Thank you always for your public service and for prioritizing solutions for patients and providers.