Practice Name	Physicians (MD and DO unless specified)	City	Specialties
	Antoine Jakiche	Albuqerque	Gastroenterology
	Mihaela Bujoi	Albuqerque	Cardiology
	Kristin Reidy	Santa Fe	Ophthalmology
	Seddah Moya	Albuqerque	Obstetrics & Gynecology
	Samara Knight	Albuqerque	Obstetrics & Gynecology
	Rebecca Okun	Albuqerque	Obstetrics & Gynecology
	Donald Stinar	Silver City	Pulmonology, Critical Care, Sleep Medicine
Mesa Family Health	Matt DeKay	Farmington	Family Medicine
	Laura Jaquez		
	Daniel Sabol		
NM Orthopedics	Douglas Allen	Albuquerque	Orthopedics, Orthopedic Surgery, & Podiatry
	Justin Averna DO		
	Kari Babinski		
	Eric Benson		
	Ian Burtenshaw DPM		
	Eric Chapman		
	John Franco		
	Jan Gilmore		
	Shelby Jarrell III		
	Daniel Junick		
	John Kiburz		
	Evan Knaus DO		
	Don Lujan		
	Kevin McGee		
	Patric Mulkey		
	Drew Newhoff		
	Ernesto Otero-Lopez		
	Lindsey Patman		
	Christopher Patton		
	Matthew Patton		
	Ian Power		
	Jefre Racca		
	Stephen Refsland		
	William Ritchie		
	Andrew Schannen		
	Chad Seidenstricker DPM		
	Krishna Tripuraneni		
Southwest Gastroenterology Associates	Gabrielle Adams	Albuquerque	Gastroenterology
	Howard Gogel		
	Andrew Masom		
	Antoine Jakiche		
	Nikki Parker-Ray		
	Michael Bay		
	Mitchal Schreiner		
	Angelina Villas-Adams		
	Lance Trent Taylor		
	Lindsay Uribe		
	Azadeh Fotouhie		
	Archish Kataria		
Pinon Hills Ear, Nose, Throat & Allergy	Brett Clarke	Farmington	Ear, Nose, Throat, Allergy
	Stephen Smith PA-C		
Family Eye Care of New Mexico	Todd Goldblum	Albuquerque	Ophthalmology
	John Hickox		
	Rebecca Leenheer		
BCA Medical Associates	William Liakos Jr.	Roswell, Artesia, Carlsbad, Dexter, Ruidoso	Pediatrics
	Karen Carson		
	Ablelardo Garcia		
	Rachel Whitlock		
	Margarita Macias		
	Lori Zink		
	Tracy Atkins CPNP		
	Rene Moya DNP		
	Cynthia Amaya FNP		
	Justine Carmichael FNP		
	Brianne Rowell FNP		

	Stephanie Sugg FNP DeAnna Jerge FNP Felipe Zhangallini		
Orthopedic Associates PA	Jason Lucas Jonathan Hancock Adam Johnson Tyson Christensen Dresden Beier DPM Lawrence Ward DPM Bryan Broadbent DPM	Farmington	Orthopedics, Orthopedic Surgery, & Podiatry
X-Ray Associates of New Mexico	Roger Cronk Mark Depper Margaret Chaffey Alexander LoRusso Christopher Creel David Fillmore Brigid Gerety Jimmy Leung Shaya Ansari Tiffany Lewis Anna Voltura Linda Smith Thomas Tullius Jr. Nicole Hill Lauren McCullough Joshep Frey Jr. Mrunal Tailor Richard Suhler Jason Ross Aaron Losey Wesley Klejch	Albuquerque, Alamogordo, Farmington, Santa Fe	Radiology and Breast Surgery
Medical Staff Cibola General Hospital & Cibola Family Health Center	Stacey Dimmitt Shaw Petersen Dorcas Yata CFNP Martha Reyes FNP Megan Greteman PA Malisa Villareal J Sadeque illegible illegible	Grants	Hospital and Family Medicine
Women's Specialists of New Mexico	James Wurzel Kristina Chongsiriwatana Subra Chouinard Jeanine Valdez Rebecca Okun Carmen Kakish Gileen Elder Elisabeth Obenauf Carl Connors Seddah Moya Consuelo Carmona Katherine Schwarz Natasha Jain Mario Pardo-Friedman Erika Solis Gilmore Katherine Nelson Samara Knight Steven Gough	Albuquerque	Obstetrics & Gynecology
Southwest Bone and Joint Institute	Roberto Carreon Sravanthi Reddy Brian Robinson Rick Lemke II PA Michael McMillan ATC	Silver City	Orthpedics and Orthopedic Surgery

SWGA
Southwest
Gastroenterology
Associates
7788 Jefferson St NE Albuquerque, NM 87109
Phone: 505-999-1600 Fax: 505-999-1650
Southwestgi.com

November 25, 2022

Dear Esteemed Members of the Legislative Interim Health and Human Services Committee,

My name is Antoine Jakiche, I have been practicing medicine as a Gastroenterology physician in Albuquerque for over 20 years. My wife, my three sons, and myself truly enjoy the Land of Enchantment and consider Albuquerque our home.

I am deeply concerned about the negative impact of the recently passed HB-75 law on the quality of health care for the people of our beautiful state. While the passing of HB-11 law ensured that independent physicians working at a hospital will remain under the lower cap of $750K, there are still three issues in the HB-75 that are deleterious for the practicing physicians that would result in massive exodus of physicians from New Mexico exacerbating the already extreme shortage in health care providers. These three issues are:

1-HB-75 law includes a tremendous increase in the malpractice cap on outpatient care facilities (OCFs) such as nonhospital affiliated surgery centers to 5 million in 2024, 5.5 million in 2025, and 6 million in 2026 from $650,000, which would result in an enormous increase in the malpractice premium for these OCFs; in addition, there are no insurance companies in New Mexico that are providing policies to cover this $5 million cap. This law will force the closure of independent outpatient care facilities in New Mexico such as Southwest Endoscopy, which would dramatically reduce the access to high quality medical care and will tremendously increase the cost of healthcare because doing medical procedures and surgeries in a hospital is often two to four folds more expensive than doing the same procedures and surgeries at an OCF.

<u>My Recommended Legislative Action:</u> Need to amend HB-75 to make the cap for independently owned OCFs to be at $750,000 similar to the physicians' cap, the justification is that independent OCFs are composed of a small group of independent practitioners which is very different from hospitals in term of capital, finances, reimbursement, and scope of medical care. The reimbursement for medical care provided at an OCF is often two to four folds lower than for the same procedures and surgeries done at a hospital. In addition, independently owned OCFs should be allowed to stay within the PCF.

2- HB 75 extends the period of repose for "incapacitated" patients for 3 years after the period of incapacity ends or indefinitely if incapacity is permanent. There is No definition of incapacity. This would require the physicians who have retired to purchase a "Tail" malpractice insurance for the rest of their life which is a major disadvantage for the physicians who practice in New Mexico.

<u>My Recommended Legislative Action:</u> Need to amend HB-75 to keep the repose period at 3 years for all patients.

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3-HB-75 calls to solve the deficit of the Patients Compensation Fund (PCF) by 12/2026, which would require massive increase in the malpractice premium for the physicians, which may push many physicians to leave the PCF resulting in further increase in the premiums to the point that no physicians would opt to remain in the PCF. While we appreciate the recent passing of a legislation to use $30 million budget surplus to cover part of the PCF deficit, this is not adequate because the estimated deficit is around $100 million.

My Recommended Legislative Action: Approve additional fund from the budget surplus to fully cover the PCF deficit.

As you know, there is already a tremendous shortage of health care providers in New Mexico, I believe that if the legislators do not take actions to rectify the above issues then hundreds of physicians will decide to leave New Mexico and many outpatient surgery centers will be forced to close which will **severely diminish the access to medical care for the people of New Mexico, and will dramatically increase the cost of health care.**

It would give me a great pleasure if you may find a time for me to talk to you in person about the deleterious impact of HB-75 law.

Thank you very much for your attention to this critical matter.

A Jakiche

Antoine Jakiche, MD
Southwest Gastroenterology Associates
7788 Jefferson St, NE
Albuquerque, NM 87109
Mobile 505-238-4610

November 27, 2022

Legislative Interim Health and Human Services Committee

Dear members of the Legislative Interim Health and Human Services Committee,

I am writing this letter from my office in Albuquerque, NM, where I have worked as a cardiologist for the past 20 years. During this time, I have battled heart disease alongside my colleagues, having immense professional satisfaction every time our patient survivors of heart attacks and cardiac arrests walk into our offices.

Medicine, and especially cardiology, is a high stress and high-risk profession that is also critical for the good health of our community. Unfortunately, the future looks grim for New Mexicans: we have been unable to recruit new and young physicians. Meanwhile, many colleagues have left the state, retired early, or are contemplating early retirement, which pushed the average age of the cardiologists in NM to over 55. Those of us left are getting more exhausted from covering critically ill patients 24 hours/day as our numbers dwindle.

There are many reasons for the steady decrease of physician numbers in NM. We cannot compete with other practices in the US as half of our patient populations is on Medicaid, and the rest mainly on Medicare; the business climate is not physician friendly, etc. But by far the current Medical Malpractice Act (MMA) has single handedly thrown our practices in a deadly spin. Our medical malpractice premiums have already increased due to the new MMA and the risk of being unable to afford and eventually secure insurance is crippling our practices.

As cardiologists, we take care of critically ill people. We all recognize that if a non-desired outcome happens, we all, as a society, have to have a system in place to help and compensate these patients and their families. This is exactly what the previous MMA did for decades. However, the current act and the way it is implemented by the NM lawyers goes far more than this: it is punitive, unfair, and threatening the entire physician and healthcare community of our state. If it is not changed soon to an evenhanded and logical act it will certainly destroy medicine in NM. Cardiology may be in bad shape, but OB, Family Practice, Pediatrics, and other specialties have been completely decimated. These statements are backed by data and numbers that cannot be ignored. At the same time, the "fixes" that we are asking for are clearly supported by knowledgeable and independent authorities like Mr. Russell Toal, the NM Superintendent of Insurance and experienced independent consultants who assessed the impact of the current MMA on the outcome of the Patient Compensation Fund and overall medical malpractice costs in NM.

I am asking you to help us all get a fair MMA, which will serve patients, families, and allow medicine to not only survive but flourish in New Mexico and to continue improving the health of our communities.

Respectfully,

Mihaela Bujoi, MD, MBA, FACC
Cardiologist
President, NM Medical Society

Eye Associates of New Mexico

11/18/2022

Esteemed Members of the New Mexico Legislative Interim Health and Human Services Committee,

My name is Kristin Reidy. I have been an ophthalmologist for over twenty years with Eye Associates of New Mexico. My father was one of the founding ophthalmologists of Eye Associates in 1976. We have, since our inception, provided routine and specialty eye care to patients including those covered by Medicaid, Medicare, VA and Indian Health coverage throughout New Mexico. We have 50 eye care providers, ophthalmologists and optometrists, and more than 600 employees.

Eye associates has more than 300,000 kept appointments every year. We perform approximately 15,000 cataract surgeries per year and more than 50,000 retinal procedures including retinal detachments and macular degeneration injections. We own and partially own two surgery centers. We work out of twelve statewide offices located in Albuquerque, Rio Rancho, Santa Fe, Taos, Los Alamos, Los Lunas, Farmington, and Roswell. We have had to close our offices in Clovis, Espanola, Las Vegas and Gallup and our surgery center in Roswell.

The practice has experienced extreme difficulty recruiting eye care providers statewide and especially for our rural clinics. Recruitment will be more difficult because of the changes in the Medical Malpractice Act. We need more providers. Our wait times for all appointments are three times greater than before the COVID pandemic. This has been made worse by other practices closing during the pandemic and employees not returning to the work force.

Our ambulatory surgery centers are critical to providing cost effective and quality eye surgery. Please see the attached article highlighting the extreme financial differences between in-patient vs. out-patient cataract surgery amounting to a $4,000 to $5,000 difference in many areas. Managing and running an outpatient surgery center is a very difficult task made more difficult now with employee shortages.

Our surgery centers are outside the MMA already and are still insured due to an expensive rider we purchased several years ago. Our clinical practice is within the MMA and experienced increases in malpractice caps as of January 2022. As a practice and personally as an owner of my medical practice, I worry about the sustainability of our practice model and our ability to maintain insurance in the future under the new MMA. A few high dollar settlements could cripple our ability to insure what we have in place.

The MMA changes threaten the sustainability of ASCs. If the majority of cataract surgeries and retinal surgeries performed in New Mexico moved from the out-patient ASCs back to in-patient hospital settings, cost expenditures would sky rocket for all insurers and wait times for available OR times would likely exceed a year for most medically necessary but not emergency procedures.

Thank you for your time, attention, and help with this situation.

Dr. Kristin Reidy

https://www.npr.org/sections/health-shots/2022/06/27/1107390667/he-and-his-wife-both-got-cataract-surgery-his-bill-was-20-times-higher-than-hers?fbclid=IwAR1WnamvovaFGkJtd8TBZBGU3OKRESrMH0RzsUuCeuS6mZNbskVEq_cGLe4

WOMEN'S
SPECIALISTS
of New Mexico

November 27, 2022

Representative Christine Trujillo, Chair
Senator Gerald Ortiz y Pino, Vice-Chair
Honorable Members of the Legislative Health and Human Services Committee
490 Old Santa Fe Trail
Santa Fe, NM 87501

To Whom it May Concern,

I am writing in regards to my grave concerns about the Medical Malpractice Act.

I moved to Santa Fe in 1987 as a young girl. After completing my elementary, middle, and high school there, I moved to Albuquerque to attend UNM. I also attended UNM for medical school and graduated in 2005. After moving away for residency, I returned to NM and have been a practicing OB-Gyn in the stare since 2009. I have been with my current practice, Women's Specialists of NM for over 10 years. My practice has been caring for the women of New Mexico for close to 50 years. I personally see close to 300 women per month. I say all of this to show how committed to healthcare in New Mexico I am.

If this malpractice act is passed, my practice along with many others, will not be sustainable. We quite simply will not be able
to bring in the revenue needed in order to keep our practice afloat. The hospital based practices are not staffed to care for all our patients and they do not have the resources to absorb all our providers. This will create a
mass exodus of physicians from the state and leave our already underserved population in an even worse position.

Thank you for your attention and consideration.

Sincerely,

Dr. Seddah Moya

WOMEN'S SPECIALISTS *of New Mexico*

November 27, 2022

Representative Christine Trujillo, Chair
Senator Gerald Ortiz y Pino, Vice-Chair
Honorable Members of the Legislative Health and Human Services Committee
490 Old Santa Fe Trail
Santa Fe, NM 87501

I am writing to follow up regarding the Medical Malpractice Act and its potentially devastating impact on medical care in New Mexico. I am a physician with Women's Specialists of New Mexico, a medical practice providing comprehensive women's health care. We are an independent practice, which means we are a small business that functions on our own with no financial assistance from other entities such as hospitals. We are approaching our 50th anniversary, and are the only remaining independent obstetric provider in Albuquerque - all other practices are hospital affiliated.

Like other small businesses, our survival is reliant on balancing the revenue we bring in with our expenses. One large expense for us is medical malpractice insurance. With recent changes in the state related to the Medical Malpractice Act, our insurance rates have gone up significantly, and we expect further increases in 2023. Unfortunately, despite this higher expense, we have not seen a corresponding increase in reimbursement for our services rendered. This has resulted in an increase in money going out of the practice without the revenue to balance it. This in turn results in less money to hire support staff, and less money to offer competitive salaries to attract and retain physicians for our practice. This means less resources to see patients, resulting in even less revenue for the practice. This initiates a downward spiral that will put us and other independent private practices out of business, which will take away medical care options for patients in an already medically underserved state. All medical practices are straining to meet the patient demand since the pandemic started in 2020. I can tell you that the hospital-based practices in New Mexico cannot accommodate the large volume of patients they would suddenly be faced with if independent practices like ours go out of business. They additionally would not be able hire all of the physicians that would be left without an employer, which means those physicians will leave the state - further increasing our deficit in number of physicians to serve our patients. If we do not remedy the current medical malpractice situation, it will have devastating consequences for the future of medical care in New Mexico.

Thank you for your time,

Samara Knight, MD

November 28, 2022

To the Legislative Interim Health and Human Services Committee

Dear Committee Members

I have been a private practice obstetrician/gynecologist in Albuquerque for over 30 years. I came to New Mexico to fulfill a Federal Government loan payback commitment, which I did at Gallup Indian Medical Center between 1987 and 1991. I moved to Albuquerque to join Women's Specialists of New Mexico and have remained with this wonderful practice ever since.

Despite our beautiful climate (which is devoid of most natural disasters), plethora of outdoor activities, and cultural diversity, recruitment and retention of physicians in New Mexico has been a longstanding problem. The impact of the COVID pandemic on supply chain issues and rising inflation are being felt by everyone. The cost of medicine is increasing and yet, reimbursement for services has not kept pace. As a private practice, we have had to become innovative in delivering quality healthcare more efficiently. Despite this, we are having a difficult time keeping up with the demand for our service and meeting payroll. Recrutmetn and retention has gotten even harder. Our rural colleagues are feeling these pressure even more. As the number one Medicaid State in the Union, unless changes are made, the option of private practice medicine will collapse and the care of New Mexico citizens will suffer tremendously.

There are four attainable goals that you, our legislators, can do at this time to help save private practice medicine.

1. Increase Medicaid reimbursement-do so would help us negotiate fair reimbursement rates with private insurance companies since they follow Medicaid reimbursement
2. Remove the gross receipt tax from small business like private practices
3. Significantly decrease the proposed medical malpractice model for outpatient medical facilities
4. Create loan repayment programs similar to the Federal Government program that brought me out to New Mexico 35 years ago. This would help bring physicians to the desperately needed rural parts of the state.

Thank you for listening and thank you for your service and commitment to the people of New Mexico.

Respectfully,

Downtown: 1001 Coal SE | Jefferson Lane: 4640 Jefferson Lane NE | Westside: 6320 Riverside Plaza Lane NW, Suite A-B
Oasis at WSNM: 101 Hospital Loop NE, Suite 105
PHONE: 505.843.6168 FAX: 505.338.3456
wsnm.org

DONALD J. STINAR MD

110 E. 11th STREET SILVER CITY, NM 88061
OFFICE: 575-388-0184 FAX: 575-388-0186

Board Certified Pulmonary, Critical Care and Sleep Medicine

September 10, 2022

Dear Health and Human Services Committee:

I am a physician with a solo private practice in pulmonary, critical care, and sleep. I treat the sickest, most complex patients in the community. I opened my practice in 1997 in Silver City, escaping the long, dreary, Michigan winters. I see patients with lung masses, blood clots, cancer, septic shock, emphysema, lung infections (pneumonia, coccidiomycosis, fungus, tuberculosis), sleep apnea and other disorders. I have had a few patients drive from Albuquerque to see me, due to the long wait to see subspecialists in Albuquerque.

The biggest challenges of practicing in New Mexico now are:

1. The biggest problem is I see many patients with Medicare and medicaide. Unfortunately, a few years ago New Mexico medicaid decreased their payment rates to less than medicare. This means they quit paying the medicare co-pay (20% of the Medicare allowed amount). It is hard to cover office expenses with Medicare rates, almost impossible with Medicare minus 20%. One nurse practitioner I know works shifts in the emergency room so she can keep her private office open. I recently dropped a lawn service at my office, as they were charging more than I make seeing 2 or 3 medicaid patients. I do the weed wacking myself.
2. Prior authorizations: many insurers, medicaid and medicare advantage plans require them. Getting prior authorization can take from 15 minutes to 4 hours. Insurance companies frequently change the process for getting an authorization. If they have an efficient website, they change it. One plan changed the process and it took my nurse over 20 calls to get the authorization (She was transferred from one number to another. Every day at lunch she would make calls.)
3. The cost of liiability insurance has increased. I have cut back to half time to save money, and will probably retire earlier than planned, due to the increasing cost of malpractice insurance in New Mexico.

4. A very serious and frustrating problem is referring patients. The waiting time to be seen by many subspecialties is 8 to 14 months.

I believe if we want to be able to recruit and retain physicians New Mexico must:

1. Raise the fee scale for Medicaide to match Medicare.
2. Make rules that insurance companies must list on a web site what CPT codes need authorizations, and which don't. Make a rule that the criteria are listed for each code, and that a simple form (online or fax) can be submitted. Mandate that changes can only be made once a year to add a procedure requiring authorization.
3. Decrease the cost of liability insurance. Perhaps the state could pay part of the premium.

Thank you for your consideration of these matters. Your own health is at stake!!

Sincerely,

Donald Stinar MD
Pulmonary, critical care, and sleep physician

MESA FAMILY PRACTICE

2130-A Farmington Ave.
Farmington, NM 87401
Telephone: (505) 325-2323
Fax: (505) 325-7172

Legislative Interim Health and Human Services Committee 28 November 2022

Dear Respected Congresswomen and Congressmen,

Thank you for taking the time to read this plea for your help. The proposed legislation in House Bill 75 has a very real potential and likelihood to further jeopardize access to healthcare in San Juan County as well as the state of New Mexico. Access to healthcare will be jeopardized because the cost of doing business as a physician will become insurmountable economically to private practice physicians.

As partners in a privately owned family practice clinic in Farmington New Mexico this proposed legislation causes us to worry greatly about access to timely and appropriate healthcare for our patients and for your fellow New Mexicans for whom you represent. This legislation will affect access because it will create an insurmountable financial burden to physicians to obtain malpractice coverage and without malpractice coverage physicians will leave the state to practice medicine in a community that has more favorable malpractice legislation and costs. As a business owner and physician I want you to know that the cost of doing business in the state of New Mexico continues to climb without even an appropriate cost of living increase to our reimbursement. Some would have you believe that the increase in insurance premiums that we all pay in New Mexico translate into more money into the pockets of physicians which is completely false. In private practice we have seen a 4 to 5% decrease annually in reimbursement in the last five years and continue to see a 3 to 4% increase in cost each year. For any business owner this is unsustainable!

The proposed legislation in House Bill 75 would create a vacuum in our state for private practice specialists especially those who practice surgery in our state. These include our fellow obstetrician and gynecologists, orthopedic surgeons, general surgeons, ear nose and throat specialists, ophthalmologists and plastic surgeons who specialize in emergency hand and arm care. These specialists will leave our state because the cost of doing business would be too high without the appropriate reimbursement which continues to decline year. These specialists will leave our communities and our state to practice medicine in a DIFFERENT state and please do not assume they will stay! This will leave the larger institutions, universities and hospital clinics to carry the burden to care for ALL New Mexicans seeking specialized care which will make for much longer wait times and further burden the already stressed emergency medical services and specialists of our state. As family practice physicians we will not be able to refer our patients to specialists to get the proper care in a timely manner and this will result in an increase in morbidity and mortality for our patients and your fellow New Mexicans.

We urge and implore you to reject House Bill 75 and any legislation that would gravely endanger assess to timely and appropriate healthcare in our state.

Thank you for your time in this vital matter.

Sincerely,

Dr. Matt deKay Dr. Laura Jaquez Dr. Daniel Sabol

NEW MEXICO ORTHOPAEDICS

EXCELLENCE IN MOTION

November 28, 2022

To: Legislative Interim Health and Human Services Committee

From: The Physicians at New Mexico Orthopaedics

New Mexico Orthopaedic Associates has been serving patients in New Mexico since 1983. We have two clinical locations and four Physical Therapy locations in Albuquerque and Rio Rancho.

New Mexico Orthopaedics is comprised of 27 orthopedic, sports medicine and spine care physicians, 18 physician assistants, and 3 certified nurse practitioners who work together in New Mexico's only independent, physician-owned medical practice that offers diagnosis, treatment and surgery, and rehabilitation all within one practice.

We currently see approximately 800-900 patients daily and our surgeons perform over 17,000 surgeries yearly. We are committed to serving the community seven days a week through our Quick care and After-Hours clinics and our 16-hour day availability in our MRI department. We are also on call for patients twenty-four hours a day. While patient centered care is our priority, there are challenges that have us incredibly concerned about our ability to remain viable as an independent, physician-owned practice in the state of New Mexico.

Physician Recruitment and Reimbursement remains a top challenge for the practice. With NM Medicaid and Medicare reimbursement rates lower than commercial payors and other states, it is difficult to attract the talent we need to meet the growing demand of the community. Increasing physician reimbursement on Medicaid patients would provide much needed incentive to encourage physicians to remain in New Mexico, while attracting others to our great state.

The Medical Malpractice Act has had a tremendous financial impact on our physicians. It has dramatically increased the cost of providers coverage which may continue to increase 25-35% next year. With the $75 million deficit, which will be shared among individual providers and health-care facilities, the share for our practice will be a large financial burden to cover. The downstream impacts of this cannot be over simplified, it will interfere with future growth and expansion, thereby affecting our ability to serve our community.

New Mexico Orthopaedics
2100 Louisiana Blvd NE
Suite 410
Albuquerque, NM 87110
505-724-4300
NMOrtho.com

Gross receipt taxes are another burdensome financial obligation of New Mexico medical practices. With Medicaid payments already lower than surrounding states, the addition of taxes, further decreases physician reimbursement. Reviewing and addressing the impact of gross receipt taxes would benefit health care.

We are respectfully requesting that the members for the Committee review and address these issues in an effort to ensure that New Mexico physicians can continue to provide healthcare to all members of our community.

Douglas C. Allen, MD
Justin F. Averna, DO
Kari M. Babinski, MD
Eric C. Benson, MD
Ian M. Burtenshaw, DPM
Eric B. Chapman, MD
John C. Franco, MD
C. Jan Gilmore, MD
Shelby E. Jarrell III, MD
Daniel W. Junick, MD
A John Kiburz, MD
Evan R. Knaus, DO
Don Lujan, MD
Kevin M. McGee, MD
Patrick D. Mulkey, MD
Drew K. Newhoff, MD
Ernesto Otero-Lopez, MD
Lindsey J. Patman, MD
Christopher P. Patton, DO
Matthew W. Patton, MD
Ian A. Power, MD
Jeffrey W. Racca, MD
Stephen A. Refsland, MD
William L. Ritchie, MD
Andrew Schannen, MD
Chad L. Seidenstricker, DPM
Krishna Tripuraneni, MD

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Esteemed members of the Legislative Interim Health and Human Services Committee

Thank you for the opportunity to share with you some of the challenges that physicians practicing in New Mexico face.

I am going to focus on HB75, Relating to Medical Malpractice, passed in 2021, which if left as is, will be the final nail on the NM medical community coffin.

My colleagues and I at Southwest Gastroenterology (SWGA) have provided medical care to New Mexicans for over 40 years. We perform approximately 12,000 lifesaving endoscopic procedures annually and over 70,000 encounters a year.

We employ over 120 staff, which include 12 physicians, certified nurse practitioners, physician assistants, certified nurse anesthetists, RNs, surgical technicians, and more. We provide health insurance and retirement benefits. We provide clinical training opportunities for medical assistants, surgical technicians, Nurse practitioners, and Physician assistants as part of their educational programs.

Many of us decided to come to NM or stay in NM *because* our state is medically underserved and has some of the highest social determinants of poor health. We chose to come here or stay here despite many challenges and despite NM compensation of physicians being lower than the national average *because* of our commitment to New Mexico and its residents and our calling as physicians.

Imagine our surprise and consternation to find out last year that our insurer, The Doctors Company, could no longer provide us and our patients with the necessary liability coverage as mandated by HB75!

As you are aware, *no* insurer in the country would agree to provide a policy in compliance with HB75; hence, HB11 was passed as a stop gap measure and to provide a permanent fix for another major problem with HB75, namely the issue of an "agent of the hospital" being considered liable at the same cap as a hospital.

HB75, the latest assault on the medical community and, frankly, all New Mexicans, came while we were going into year 3 of a global pandemic. Those of us on the front line have been practicing medicine in one of the hardest-hit communities in the world. We did so for months without vaccinations or adequate personal protective equipment (PPE), and we still do so without adequate PPE. Endoscopic procedures are one of the highest-risk procedures with respect to covid transmission, and every day, our physicians have laid their life on the line taking care of inpatients at Lovelace hospital, Sandoval Regional Medical Center, and outpatients at SWGA and Southwest Endoscopy.

SWGA, at tremendous expense, and with great effort and ingenuity, immediately implemented outpatient telehealth to keep our staff and patients safe while we continued to provide much-needed care. We instituted rapid covid testing for our patients and staff through an out-of-state lab before it was even available in New Mexico. We did not furlough or lay off a single employee; instead, our physicians' compensation was reduced drastically, and we have been working twice as hard!

Fast forward one long year. We have submitted applications for malpractice insurance within the Act and outside the Act and *not a single carrier* will provide a quote for coverage that complies with HB75. Why is that? It is because the caps as outlined in HB75 deviate so far from the norm, and NM is such a

litigious state, that no carrier will participate. This is reminiscent of the situation in NM in the 1970s and the climate that led to the formation of the PCF.

There are 33 states nationwide that have caps on medical malpractice judgments, and in all other states, the caps are less than 1 million.

In addition to there not being any available insurance coverage in compliance with HB75 caps set to go into effect on 1/1/2024, our overall medical malpractice premiums have already increased 40% since 2019 for coverage at the current cap of $750,000.00. Our surcharge to pay down the PCF deficit has increased 100% over the same period. If, at the last minute, an insurer does agree to provide a product in compliance with HB75, it will be unaffordable. Just to remind you, the cap for licensed outpatient care facilities is set to increase from $750,000.00 to 5 million on 1/1/2024.

As you know, in medicine, we are not able to increase reimbursement for our services based on the cost of health care delivery, because our fees are set by legislation.

So, in addition to the many, many things that can be done by the legislature to improve retention and recruitment of physicians to NM, legislation must be immediately passed that extinguishes the PCF deficit and places independently owned outpatient care facilities at the same cap as independent physicians, as they were previously. This is the minimum that must be done. Independently owned outpatient care facilities constitute a group of independent physicians that provide care for stable, low-risk patients at significant cost savings for the patient and insurer; therefore, they are in a different category of facility than a hospital and should not fall under the same cap as a hospital.

This matter is truly critical for the health and well-being of New Mexicans. If this is not remedied, there will be an even greater shortage of physicians in New Mexico. If this is not remedied, Southwest Gastroenterology's days are numbered, and thousands and thousands of patients will be without care.

Thank you for your time and consideration,

Gabrielle Adams, MD
Howard K. Gogel, M.D.
Andrew C. Mason, M.D.
Antoine F. Jakiche, M.D.
Nikki Parker-Ray, M.D.
Michael K. Bay, M.D.
Mitchal A. Schreiner, M.D.
Angelina A. Villas –Adams, M.D.
Lance Trent Taylor, M.D.
Lindsay Uribe, M.D.
Azadeh Fotouhie, M.D.
Archish Kataria, M.D

Brett Clarke, M.D., M.S.

PINON HILLS
Ear, Nose, Throat & Allergy

Stephen Smith, PA-C

November 28, 2022

Legislative Interim Health and Human Services Committee
Santa Fe, NM 87505

Re: New Mexico Medical Malpractice

Dear Esteemed Legislators,
I compose this brief letter to convey to you my concerns about New Mexico Medical Malpractice. I practice as the only ENT surgeon in Farmington with a single PA. My next available routine new patient appointment is end of February. Pre-COVID this office supported 2 full-time physician/surgeons, a full-time PA and a part time physician/surgeon—demand continues to be high. Since before COVID I have been searching for another surgeon. Put succinctly, New Mexico is not physician friendly financially. The medical malpractice reform HB 75 pushes cost prohibition, if not preventing insurability. A majority of my practice is Medicare and medicaid patients. My PA and I barely keep the doors open as it is. All costs of practice continue to increase yet I can not pass along my increase costs. It is difficult to entice a physician/surgeon to come to New Mexico with the promise of long work-weeks, poor reimbursement and worsening liability. Please consider repealing HB 75 at minimum to help me continue to provide care in the Four Corners. Thank you for your time and efforts to on behalf of New Mexicans in the Four Corners.

Sincerely,

Brett M. Clarke MD MS

2300 E 30th St, Bldg D-102, Farmington, NM 87401
Phone: 1 (505) 327-4429
Fax: (505) 327-4420

FAMILY EYE CARE  CHILDREN'S EYE CENTER OF NEW MEXICO

September 2, 2022

Representative Christine Trujillo, Chair
Senator Gerald Ortiz y Pino, Vice-Chair
Honorable Members of the Legislative Health and Human Services Committee
490 Old Santa Fe Trail
Santa Fe, NM 87501

Todd A. Goldblum, MD
Pediatric Ophthalmology

John Hickox, MD
Pediatric and Adult Ophthalmology

Rebecca Leenheer, MD
Pediatric Ophthalmology

Re: Challenges to Practicing Medicine in New Mexico

Dear Chair Trujillo, Vice-Chair Ortiz y Pino, and Members of the LHHS:

We are a small practice of three pediatric ophthalmologists (eye doctors) serving the entire state of New Mexico for nearly 30 years. We care for children with very sick eyes and blindness – this includes cataracts, eye crossing, amblyopia (lazy eye – blindness from the brain turning the eye off), eye cancer, glaucoma (high pressure in the eye), and blindness from premature birth just to name a few.

Like every pediatric specialist in New Mexico, we have numerous challenges making it difficult for us to remain open. The biggest one is poor Medicaid reimbursement and skyrocketing expenses. This includes a huge jump in malpractice insurance premiums, health insurance premiums for our employees, equipment and IT/software costs, and labor costs to name a few. At then at the end of the month, we must write out a check for gross-receipts tax for almost 10% of our collections. No other US state has such tax. These costs are unavoidable.

Revenue for our practice, despite our clinics being crazy busy and booked out for 6 months, is down. Why? Like every pediatric practice in the state, our Medicaid volume is well-over 60-70 percent and climbing. Increased funding to the state Medicaid program has NOT reached our practice and our reimbursement from Medicaid MCO's and the state simply cannot keep up with our rising expenses. For example, checking for refractive error (glasses) in babies frequently takes us 10-15 minutes due to poor cooperation and we are reimbursed only $7 (seven) dollars!

303 Mulberry NE
Albuquerque, NM 87106

(505) 243-9733 office
(505) 842-0650 fax
(800) 321-4977 toll free

www.familykidseye.com

We employ over twenty wonderful staff members who deserve pay raises every year to keep up with inflation. Our doctors are taking significant salary cuts every year to allow for this. But this cannot continue. If it does, we will be forced to downsize or shut down all together. In fact, one of our doctors is starting partial retirement soon. Families and their children will have no option but to travel out-of-state for care.

We ask that Medicaid rates to doctors increase, at a very minimum, to Medicare rates and adjusted (or coupled) every year when Medicare rates change. It is essential that the funding reach medical practices such as ours in order for us to continue to care for New Mexico children. We are available anytime if you have any questions. Thank you.

Sincerely,

Todd Goldblum, MD John Hickox, MD Rebecca Leenheer, MD

813 North Washington Avenue, Roswell NM, 88201 Phone: (575) 622-2606 Fax: (575) 622-6645
608 N 1st Street, Artesia NM, 88210 Phone: (575) 746-8880 Fax: (575) 746-2416
1034 N Spring Street, Carlsbad NM, 88220 Phone:(575) 941-3854 Fax: (575) 941-3592
113 S Lincoln Avenue, Dexter NM, 88230 Phone:(575) 734-2890 Fax: (575) 734-2893

September 8, 2022

Representative Christine Trujillo, Chair
Senator Gerald Ortiz y Pino, Vice-Chair
Honorable Members of the Legislative Health and Human Services Committee
490 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Dear Chair Trujillo, Vice-Chair Ortiz y Pino and Honorable Members of the Legislative Health and Human Services Committee,

We are physicians and practitioners at BCA Medical Associates (BCA) in southeastern New Mexico and writing you with our concerns about practicing medicine in New Mexico in hopes that you will recommend legislative changes to improve healthcare in our state.

BCA has five pediatrics clinics in southeastern NM, located in Roswell, Dexter, Artesia, Carlsbad, and Ruidoso, and is perhaps the largest physician-owned practices in the state. BCA was established in 1968 and has expanded over the past decade to better serve local communities. We have seven physicians and nine practitioners, along with over 100 employees. Our mission is to provide excellent comprehensive healthcare to children in our communities. We have over 60,000 patient visits per year, with approximately 70% on Medicaid and 20% of our patient's families speak only Spanish. BCA is interested in continuing to expand to other underserved areas of NM should the legislature help provide incentives and remedy current challenges described below.

Over the years we have found it extremely difficult and costly to recruit new physicians, mostly because of our rural locations, quality of education, crime rates, low Medicaid reimbursement rates, and, most significantly, New Mexico's hostile medical malpractice environment. It is imperative to "fix" the medical malpractice time bomb that will potentially bankrupt the patient's compensation fund as well as make any physician owned outpatient surgical and urgent care centers untenable. In addition, for those of us who practice in rural and/or underserved areas, other state-supported incentives are necessary, including educational loan repayments for physicians who will relocate, fast-track credentialing, state income tax credits, recruitment assistance, and rural healthcare project loans/grants. In addition, we recommend UNM Medical School admission should give preference to qualified applicants from New Mexico who are more likely to stay and practice in the state, perhaps with a stipulation of serving underserved areas for a specific term as recompense for state-subsidized education and training.

Thank you for your consideration of these important issues and your commitment to improving healthcare and quality of life in our state. We are available to answer questions or discuss these matters further.

William G Liakos Jr. MD, FAAP Karen L. Carson MD, FAAP Abelardo Garcia, MD Rachel Whitlock, DO
Margarita Macias, MD Lori Zink MD, FAAP Tracy Atkins, CPNP Rene Moya, DNP,CPNP
Cynthia Amaya FNP-C Justine Carmichael, FNP-C Brianne Rowell, FNP-C Stephanie Sugg, FNP-C
LeAnna Jerge FNP-C Felipe Zhangallini MD, FAAP

ORTHOPEDIC
ASSOCIATES P.A.
2300 E. 30TH STREET, D-101 • FARMINGTON, NM 87401
OFFICE (505) 327-1400 • FAX (505) 564-3202

September,07, 2022

New Mexico Medical Society
316 Osuna Road NE, Ste 501
Albuquerque, NM 87107

Health and Human Service Committee:

Orthopedic Associates has been providing world-class orthopedic care since we opened our doors in 1972. The practice was started by surgeons from New York who wanted to practice in a rural environment and provide care to underserved patients. The abundant outdoor opportunities—including hiking, golfing, biking, and fishing—are big draws for the physicians who choose to practice here.

Today our skilled team of clinicians has grown to 4 orthopedic surgeons, 3 podiatrist, and 4 physician assistants. We provide excellent care for a wide range of orthopedic conditions, including sports medicine, total joint replacement and revision, osteoporosis, arthroscopic reconstruction of the knee, hip and shoulder, pediatric orthopedics, foot and ankle reconstruction, and care for all foot and toe related pain and issues. The practice serves hundreds of patients in a day in the Four Corners and surrounding areas including Farmington, Aztec, Bloomfield, Kirtland, Shiprock, Gallup and the Navajo Nation, and Southern Colorado.

One of the biggest challenges our practice has experienced in the past five years is recruiting new physicians to the practice. Unfortunately, New Mexico is not friendly to medical providers. Practices must endure high costs including Gross Receipts Tax, poor malpractice protection, and a high percentage of Medicaid versus commercial insurance to provide care. The Gross Receipts Tax on Medicaid reimbursement makes an already insufficient revenue stream even worse. After paying Gross Receipts Tax, practices still have to pay State Income Tax. Most other states have a more reasonable tax situation.

ORTHOPEDIC
ASSOCIATES P.A.
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Recent changes by the state legislature involving the Medical Malpractice Act have aggravated the situation. With HB75 increasing the cap limits of medical malpractice, New Mexico is protecting lawyers at the expense of doctors. Because of this, fewer doctors will choose to practice medicine in New Mexico, and this will exacerbate the limited health care available for many citizens of New Mexico. In addition, the increase in malpractice premiums significantly increase the costs of providing care to patients without a reasonable way for practices to offset the cost because Medicaid and Medicare reimbursements are insufficient and there is no opportunity for negotiation. We depend on lawmakers to represent us.

This committee--along with state legislators--can help practices continue to exist in New Mexico. We implore you to support physicians by repealing HB75, increasing Medicaid reimbursements, stopping the taxation of Medicaid reimbursements for Gross Receipts, and increasing access to educational loan repayments for providers who choose to practice in New Mexico. Thank you for your consideration on these matters.

Sincerely,

Jason Lucas DO Jonathan Hancock DO Adam Johnson MD

Tyson Christensen MD Dresden Beier, DPM Lawrence Ward, DPM

Bryan Broadbent DPM

Orthopedic Associates PA

XRANM

X-RAY ASSOCIATES OF NEW MEXICO, P.C.

Roger L. Cronk, D.O.
Mark H. Depper, M.D.
Margaret H. Chaffey, M.D.
Alexander P. LoRusso, M.D.
Christopher J. Creel, M.D.
David J. Fillmore, M.D.
Brigid M. Gerety, M.D.
Jimmy C. Leung, M.D.
Shaya Ansari, M.D.
Tiffany C. Lewis, D.O.
Anna M. Voltura, M.D.
Linda A. Smith, M.D.
Thomas G. Tullius, Jr., M.D.
Nicole M. Hill, M.D.
Lauren McCullough, M.D.
Joseph H. Frey, Jr., M.D.
Mrunal P. Tailor, M.D.
Richard J. Suhler, M.D.
Jason R. Ross, M.D.
Aaron D. Losey, M.D.
Wesley J. Klejch, M.D.

To:
Representative Christine Trujillo, Chair
Senator Gerald Ortiz y Pino, Vice-Chair
Honorable Members of the New Mexico Legislative Health and Human Services Committee
490 Old Santa Fe Trail
Santa Fe, NM 87501

From:
The Physicians of X-Ray Associates of New Mexico.

X-Ray Associates of New Mexico (XRANM) was founded over 70 years ago and has grown to a practice of 19 radiologists and 3 breast surgeons. We are one of the largest providers of outpatient radiologic examinations and procedures in the State, and provide radiology services for 4 hospitals. We operate 7 imaging centers across the State from Farmington to Alamogordo, and 2 breast care offices.

We are a New Mexico based and physician owned practice, and employ over 300 technical and administrative personnel. Our physicians came to New Mexico for the opportunity to take care of patients in an underserved State which supports independent medicine.

Annually, we perform around 300,000 radiologic examinations and procedures. Our breast surgeons see over 10,000 breast health patients and perform nearly 1000 surgeries each year. We are proud to offer compassionate, patient-focused, and state-of-the-art care to our patients, often at considerable savings to both patients and insurers when compared to hospital-based options. We are looking forward to the opening of a new 35,000 square foot comprehensive breast care and advanced imaging center here in Albuquerque early next year.

Those who practice medicine in New Mexico have always faced challenges. Presently, we face a perfect storm that threatens our ability to go on as independent physicians:

Physician Recruitment and Reimbursement: 48% of New Mexicans rely on Medicaid for health insurance coverage, and this number is expected to rise to the mid-fifties in the future. Medicaid reimbursement is only 88% of the amount reimbursed for Medicare services (also low compared to commercial payors, and low compared to Medicare reimbursement in other states). Reimbursement has not kept up with rising costs for supplies and personnel over the years, with the situation becoming more urgent in the current economy.

Low reimbursement, combined with more favorable offers in adjacent States and a national shortage of radiologists and breast surgeons, has made physician recruitment

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Albuquerque, N.M. 87114
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Fax (505) 998-3107

Alamogordo Imaging Center
2539 Medical Drive, Ste. 101
Alamogordo, N.M. 88310

X-Ray Associates at Farmington
1750 E. 30th Street
Farmington, N.M. 87401

X-Ray Associates at Santa Fe
490 A West Zia Road
Santa Fe, N.M. 87505

Breast Surgery Associates at Santa Fe
435 St. Michael's Drive, Ste. 104
Santa Fe, N.M. 87505

Breast Surgery Associates of New Mexico
101 Hospital Loop, Ste. 106
Albuquerque, N.M. 87109

Northwest Imaging Center
10200 Corrales Rd. NW, Ste B-4
Albuquerque, N.M. 87114

Stephen G. Babel
El Camino Imaging Center
8020 Constitution Place NE
Albuquerque, N.M. 87110

Heights MRI Center
102 Hospital Loop NE
Albuquerque, N.M. 87109

Breast Imaging Center
4630 Jefferson Lane NE
Albuquerque, N.M. 87109

www.xranm.com

extremely difficult for our practice. It has become prohibitively expensive to hire new physicians to our practice, especially in rural areas.

Increasing physician reimbursement on Medicaid patients will incentivize physicians to stay in New Mexico. It will improve access to health care, especially in rural areas.

In addition, revising the current tax credits available to physicians practicing in rural areas should be considered. Currently under New Mexico Law physicians who work 52 weeks (no time off) can receive a $5000 tax credit. Increasing this credit, and expanding it to all locations and to physician-owned medical practices will improve access to health care.

Medical Malpractice: The Medical Malpractice Act, amended in 2021, provided some positive benefits to our practice, but uncertainty and the potential for substantial increases in the cost of insurance coverage (if available at all), if not addressed, threaten independent medical practice in New Mexico.

It is true that there are positive benefits to our practice from the amended Medical Malpractice Act: Business entities providing health care (including our practice) will continue to qualify for the protections of the Act, and the cap was held to $750,000.

However, significant problems and uncertainty remain: Outpatient health care facilities including those owned by physicians face a huge increase in the cap, reaching $6 million by 2026. To date, no insurer is willing to write a policy to cover this cap. Even if available, the cost of such insurance would be prohibitive. This has already led to reduced access to care in our own practice. Our comprehensive breast care center was designed to include an Ambulatory Surgery Center. We have placed completion of the ASC on hold; unless the availability, and cost if available, of insurance coverage to reach the new cap changes we will be unable to operate the ambulatory center. This will lead to longer delays between diagnosis and definitive treatment for breast cancer patients, higher costs to the patients, and prevents us from expanding interventional radiology services to include procedures best performed in an ASC setting.

Rising costs for insurance, further accelerated by the increase in the cap for health care providers to $750,000 with annual increases to follow, cuts directly into physician reimbursement and our ability to compete with neighboring States when recruiting new physicians.

Like many other physician practices, we participate in the Patient Compensation Fund through the Act. It is estimated that the PCF has developed a deficit of $75 Million, even following an infusion of $30 Million from the Legislature. While this deficit applies to both individual providers and health-care facilities, a charge to the physicians in our practice to fund their share of this deficit would be devastating to our practice. Many practices including ours are exploring other methods of insurance and leaving the Act altogether, which will only make things worse for those who remain in the PCF.

Taxes: Medicaid payments, already low, are also subject to New Mexico Gross-Receipts Tax, further decreasing physician reimbursement. Business-to-business transactions are also taxed, and have made proposed joint-ventures and service agreements between us and others in health care untenable. Addressing the impact of the GRT would benefit health care and businesses in general in New Mexico.

We the undersigned ask members of the Committee to address these issues to preserve Health Care in New Mexico.

Shaya Ansari MD
Margaret Chaffey MD
Christopher Creel MD
Roger Cronk DO
Mark Depper MD
David Fillmore MD
Joseph Frey MD
Brigid Gerety MD
Nicole Hill MD
Wesley Klejch MD
Tiffany Lewis DO
Jimmy Leung MD
Alexander LoRusso MD
Aaron Losey MD
Lauren McCullough MD
Jason Ross MD
Linda Smith MD
Richard Suhler MD
Mrunal Tailor MD
Thomas Tullius MD
Anna Voltura MD
Stanley D. Wells MD, JD

Representative Christine Trujillo, Chair
Senator Gerald Ortiz y Pino, Vice-Chair
Honorable Members of the Legislative Health and Human Services Committee
490 Old Santa Fe Trail
Santa Fe, NM 87501

Dear Members of the Legislative Health and Human Services Committee

As members of the medical staff of Cibola General Hospital and Cibola Family Health Center in Grants, New Mexico, we want to lend our deepest support to the testimony you have been and will be presented with during your session. The physician shortage in the state of New Mexico is reaching a critical level, and it is becoming increasingly difficult to make up the deficit.

Cibola General Hospital was established in 1959 to serve the area that would later become Cibola County and now provides care for people all over the northwestern part of the state. Cibola Family Health Center and Cibola Specialty Associates are our hospital-affiliated clinics that provide outpatient care by an array of providers including one Family Practice Doctor, two Family Practice with Obstetrics Doctors, three OB-GYNs, two General Surgeons, one Mental Health Nurse Practitioner, three Nurse Practitioners, and two Physician Assistants. We are able to offer part time Cardiology and Podiatry care. We currently have openings for at least two Family Practice Physicians, one General Surgeon, one Pediatrician, and one Orthopedic Surgeon. It will not be long before we will be recruiting for additional Behavioral Health providers. Our hospital is staffed by a team of three Hospitalists and our Emergency Room is staffed by a contracted ER group. We provide outpatient care through both our hospital and clinic for hundreds of patients daily. Our Emergency Room is currently managing about 60-70 visits daily, and our inpatient rooms provide care for 13+ of our local citizens daily. In addition to our regular services we have provided for years to our patients, we have been very proud to recently serve as a stronghold for care during the COVID pandemic. In 2021, we added a crucial specialty area to the services we provide - Behavioral Health. This area has been helping hundreds of patients each month and is already needing to expand substantially.

Our providers range from hometown people who returned to the community to practice their trade, to out-of-state providers who moved to the area to serve our patients. Our reasons for choosing to practice here vary, but were impacted in large part by the ties already existing to the area for those who grew up here, and by the existing provider support and surrounding landscape/beauty for those who are transplants. While these

reasons were enough to bring us here, we increasingly struggle to bring additional providers to the practice.

One of our biggest issues in recruitment is that we simply struggle to offer enough in salary and bonuses to remain competitive, but also stay within budget. As our Medicaid reimbursement remains woefully insufficient to cover expenses, our expenses increase exponentially as we deal with more and more prior authorizations, peer to peer requests, and insurance denials. We simply can't pay physicians if we can't get paid for the services they provide. Malpractice issues, as you know, are a very large hurdle to getting physicians to give us a fair look. Physicians are also acutely aware of the struggles to recruit more physicians. It's a very daunting risk for a provider to take to commit to an area where you either are the only provider or one of only a few providers to be caring for patients, with no foreseeable help to be had in the near future. Even if we can recruit one physician, it's sometimes difficult to get them to commit when we can't promise imminent and consistent help in the near future. In the instances where we can get a provider past these hurdles to look more seriously at our community, it's an unfortunate truth that the statistics regarding our safety and schools in New Mexico is a deterrent preventing doctors with young families from committing to our community.

We urgently request your support in improving Medicaid reimbursement, establishing MCO accountability, and providing reasonable times frames for insurance credentialing so that we can offer doctors competitive reimbursement. Your further assistance with medical malpractice reform, loan repayment programs, rural healthcare project loans, and tax credits will be an enormous help with our recruiting efforts. With your help, we truly hope to be able to ensure the security of New Mexico healthcare for years to come. Thank you so much for your consideration.

Sincerely,

The Medical Staff of Cibola General Hospital and Cibola Family Health Center

Stacy Smith, MD

Megan Stutman, PA-C

MD MPH
DR Shane Petersen

Melissa Villarreal, MD.

Dorcas Yeter CFNP

Martha Reyes, FNP-C

WOMEN'S SPECIALISTS *of New Mexico*

September 1, 2022

Representative Christine Trujillo, Chair
Senator Gerald Ortiz-Pino, Vice-Char
Honorable Members of the Legislative Health and Human Services Committee
490 Old Santa Fe Trail
Santa Fe, NM 87501

Dear Chair Trujillo, Vice-Chair Ortiz-Pino and Honorable Members,

I am writing to tell the story of Women's Specialists of New Mexico (WSNM), an independent private practice in Albuquerque, New Mexico. We opened our doors in 1974 after seeing a need for comprehensive women's health in the medically underserved state of New Mexico. Since then, we have grown, and now proudly care for 85,000 patients a year from all over the state. Our practice provides both obstetric and gynecologic care. We employ 33 women's health providers, with a diverse group of medical practitioners that includes physicians, certified nurse midwives, nurse practitioners and physician assistants. We also hired one Primary Care Provider to provide general medical care for our patients due to challenges they had in finding available Primary Care Providers in New Mexico. Many of our providers are either from New Mexico, or moved here from other states due to a connection to this state. We all recognize that New Mexico is a state with a unique patient population, with people coming from many different cultures and socioeconomic levels, and have found it to be a great privilege to serve the women here.

One of our major accomplishments has been our ability to persist as an independent/non-hospital run private practice in Albuquerque, an area that is a heavily hospital-employed for medical care. Along with that accomplishment comes challenges. As an independent private practice, we struggle to find balance between the increasing cost of practicing medicine in New Mexico and poor reimbursement for services rendered in women's health care. Because we are a small business and provide only women's health care without some of the larger services offered by local hospitals, we do not have extra revenue to subsidize the increase in financial burden we face by running a medical facility in this state. Medical malpractice insurance rates have more than doubled in the last twenty years, which means an increased cost for employing each individual medical provider. Another cost we experience is the gross receipts tax, which cuts down on any generated profit. Currently, we are one of two states in the nation that require this extra tax from medical practices. And, as a for-profit facility, we do not get tax breaks or incentives, which means we cannot off-set the tax rates we pay.

Despite this increased cost to practice medicine in New Mexico, and the well-known effects of inflation, we have not seen a corresponding increase in reimbursement for medical services. There has been no raise in Medicaid reimbursement rates in years, and New Mexico is the number one Medicaid state in the country, which means that a large number of our patients are covered by Medicaid and therefore are still providing us with the same reimbursement rates we received years ago. With regards to private insurance carriers, we have a small voice compared to large hospital systems, and as a result are often unsuccessful when trying to obtain better reimbursement for services rendered. We also experience other challenges in our ability to operate and generate revenue, including delays in timely credentialing of new providers with insurance companies and local hospitals; complicated and time consuming processes for prior authorizations for medical services; and difficulty negotiating lower prices for medical equipment and medications due to our status as a small business.

Downtown: 1001 Coal SE | Jefferson Lane: 4640 Jefferson Lane NE | Westside: 6320 Riverside Plaza Lane NW, Suite A-B
Oasis at WSNM: 101 Hospital Loop NE, Suite 105

PHONE: 505.843.6168 FAX: 505.247.9743

wsnm.org

This increasingly skewed balance between the high cost to practice medicine and poor reimbursement for services in New Mexico has downstream implications that affect the ability of independent medical practices such as WSNM to recruit and hire new physicians. We have had increasing difficulty hiring new providers, especially those from out of state, despite an excellent reputation in our community. We are sometimes successful if these physicians have ties to New Mexico, but we otherwise struggle to attract providers due to high malpractice costs and inability to provide competitive salaries - the salaries we can offer are well below the national average. WSNM is not the only practice with this problem. Speaking with colleagues at other practices confirms that this problem is pervasive throughout the state. This issue is becoming more prominent as time passes, and unless resolved will have long term effects on New Mexico's ability to both recruit and retain physicians, resulting in fewer physicians coming to New Mexico and more physicians leaving New Mexico. This situation will be devastating to our already medically underserved state, as it will further decrease the number of physicians available to serve New Mexicans who already struggle to find adequate health care services.

The question is, where do we go from here? There are some adjustments that could be made to help independent private practices such as ourselves exist in the current high cost/low reimbursement climate. One of the biggest options is to fix the proposed medical malpractice model for outpatient medical facilities. Independent small businesses such as WSNM absolutely cannot afford medical malpractice insurance with the model that was proposed in 2021. It will put our practices out of business and discourage physicians from working in New Mexico. Another big intervention would be to increase Medicaid reimbursement to offset some of the increasing costs of practicing in New Mexico, and assist with negotiation fair reimbursement rates from private insurance companies. A third option would be to remove the gross receipts tax, as that is also a source of high cost for small business such as ourselves. Lastly, to help private practices recruit physicians to New Mexico, options such as educational loan repayment, faster credentialing, and rural healthcare project loans would increase our appeal for out of state providers.

We appreciate your time and consideration regarding these unique challenges to practicing medicine in New Mexico. We hope to see improvement in the future, as we take great pride in the fact that we have provided medical care for the women of New Mexico for almost 50 years, and hope to continue our service for many years to come.

Sincerely,

James Wurzel, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Kristina Chongsiriwatana, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Sujata Chouinard, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Jeanine Valdez, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Rebecca Okun, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Carmen Kakish, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Gileen Elder, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Elisabeth Obenauf, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Carl Connors, DO
Physician of Women's Specialists of New Mexico

Sincerely,

Seddah Moya, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Consuelo Carmona, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Katherine Schwarz, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Natasha Jain, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Mario Pardo-Friedman, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Erika Solis-Gilmore, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Katherine Nelson, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Samara Knight, MD
Physician of Women's Specialists of New Mexico

Sincerely,

Steven Gough, MD
Physician of Women's Specialists of New Mexico

Southwest Bone and Joint Institute
1268 E. 32nd Street
Silver City, NM 88061
575-534-1919 Telephone
575-534-0135 Fax
Roberto Carreon, M.D. ~ Sravanthi Reddy, M.D. ~ Brian Robinson, M.D. ~ Rick Lemke II, PA-C, ATC

September 12, 2022

Representative Christine Trujillo, Chair
Senator Gerald Ortiz y Pino, Vice-Chair
Honorable Members of the Legislative Health and Human Services Committee
490 Old Santa Fe Trail
Santa Fe, NM 87501

Dear Madam Chair and members of the committee,

I'd like to share with you some background on a small business medical practice in Silver City, our challenges, and our accomplishments over the last five (5) years.

Southwest Bone and Joint Institute, PC (SBJI) located in Silver City was established in 1999 and provides general orthopedic services to a four County (Grant, Luna, Hidalgo, Catron) region. SBJI also employs twenty-five (25) full time staff and seven (7) part time staff members in our community.

SBJI provides both surgical and nonsurgical orthopedic care, which also includes in-office radiology exams, MRI imaging, durable medical equipment, physical therapy, occupational therapy, EMG and nerve conduction studies. SBJI provided 15,893 medical office visits to patients in 2021 and our physical and occupational therapists provided 6,669 patient visits in 2021.

Our orthopedic surgeons provide inpatient and outpatient surgical care at Gila Regional Medical Center. Surgical care provided includes total joint replacement, arthroscopic surgery, trauma and fracture care, foot and ankle surgery and hand surgery.

Over the course of the last five years the biggest challenges to our small business independent medical practice include the following:

- A significant change in the Medical Malpractice Insurance program in New Mexico which has **increased our medical malpractice premiums this year over 10%.**

- The Covid-19 pandemic which in itself was devastating, but it also created new operational expenses in order to provide a safe working environment for patients and staff. These new expenses include, plexiglass safety barriers, MERV 13 air filters, hand sanitizer, face masks, gloves and multiple cleaning and sanitizing measures over the last two years. Many of these additional expenditures for healthcare facilities still continue today.

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- The Covid-19 pandemic also created supply chain shortages which has increased costs to acquire both common office supplies and medical supplies over the last two years. This is best illustrated with the rate of inflation which was **7.5% in January 2022** and increased even greater in **June of 2022 to 9.1%**. This has increased all of our operational costs from medical supplies to facility maintenance and all utilities.

- The increases to the New Mexico minimum wage over the last four years from $7.50 to currently $11.50 with another increase to $12.00 scheduled for January 2023. This is a good thing for many New Mexicans, but for a business that **pays all its employees more** than minimum wage it still does have an effect on our payroll as it increases wage compression. This is a **60% increase** over the last four years, our Medicaid reimbursement has not increased by this amount in the same timeframe.

- In July of this year all New Mexico businesses were required to offer paid sick leave. Even if businesses like ours which **has always offered paid time off** that exceeded the healthy workplace act, our business had to comply with complex regulations to integrate the requirements of the new act with our existing paid time off benefit.

I'd also like to share with you some of our accomplishments of SBJI over the last five (5) years.

- During the Covid-19 pandemic we were fortunate to be able to stay open and safely provide the needed orthopedic care to the residents of our region.

- SBJI was able to keep all staff employed without reducing staff hours or benefits during the Covid-19 pandemic, even with the drastic increases to our overhead costs during the same timeframe.

- We are preparing to expand in-office services to patients to include some minor procedures.

I would like to offer some possible solutions that the legislature could consider to provide some relief to small business medical practices.

- Implement changes that reduce medical malpractice premiums for healthcare professionals.

- Increase Medicaid reimbursements to all healthcare professionals including specialists and continue to increase reimbursements as the cost of providing care increases.

- Include gross receipts tax (GRT) with Medicaid reimbursement, currently this does not happen, but we have to pay GRT on those reimbursements. In addition, we also pay GRT for all co-pays and deductibles received from patients for medical services rendered.

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- Work with the Superintendent of Insurance to implement a streamlined prior authorization process that all healthcare insurers must adopt/follow. Currently, each insurance payor has their own process, and most are not efficient which increases our costs and delays the patient's care.

- Reduce administrative burdens to businesses that have always provided good employee wages and benefits to our workforce.

Thank you for allowing me to share a little bit about Southwest Bone and Joint Institute's experiences over the last five (5) years as a small business medical practice in rural New Mexico. Please contact me or our administrative staff if you have any questions or need additional information.

Sincerely,

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Sincerely,

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