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FISCAL IMPACT REPORT

SPONSOR Taylor, JP **DATE TYPED** 2/16/04 **HB** 93/aHGUAC/aSPAC

SHORT TITLE Develop Comprehensive Strategic Health Plan **SB** _____

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
		Indeterminate			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 34

SOURCES OF INFORMATION

LFC Files

Response Received From
Department of Health (DOH)

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment inserts “pharmaceutical manufacturers” as a participant in the development of a comprehensive strategic plan for health. The amendment corresponds to the language in the duplicate SB34.

Synopsis of HGUAC Amendment

The House Government Urban Affairs Committee Amendments provides for the following changes in the bill:

- Includes managed care organizations, major insurers in the state, the HSD, the CYFD, the State Agency on Aging as participants in the development of the plan. Reference “Amendments” below. SB34, duplicate to HB 93, amended in SPAC, included pharmaceutical manufacturers as participants in the development of the plan.
- Expands the definition of areas to be addressed in the plan to allow for health disparities that exist for different population groups. Reference “Amendments” below.
- Expands the definition on providing information on a continuum of care model that

includes “public health services” and “emergency medical services”. Reference “Amendments” below.

- Provides for planning on public health emergencies. Reference “Amendments” below.

Synopsis of Original Bill

House Bill 93 adds a new section to the Department of Health (DOH) Act to require DOH to develop a comprehensive strategic plan for health in collaboration with the Health Policy Commission, other state agencies, the legislature, health care providers, consumer and patient advocates, health care financing organizations, tribal governments and other stakeholders. The plan would emphasize prevention, personal responsibility, access and quality.

The planning process is to ensure the inclusion of public participation and public input and that geographic representation is achieved. The plan is to be published by July 1, 2004 and July 1 of subsequent even-numbered years, allowing for reviews, updates or amendments in response to changes and developments in the odd-numbered years. The DOH would also be required to report its findings and recommendations in its biennial comprehensive strategic plan for health to address the itemized areas in Section E of HB93 and any additional specific areas of interest to the Governor and the legislature. HB93 has an emergency clause.

Significant Issues

HB93 is part of the Governor’s 4-Point Health Care Reform Agenda and supports the work completed to date by the Secretaries of Health, Human Services, Children, Youth & Families and Aging & Long Term Services as a result of the town hall meetings.

In October 2003, the Steering Committee of the Governor’s Task Force on Health Care Coverage and Access recommended the state develop and implement a comprehensive statewide health care plan that includes strategies to increase access, educate the public, utilize existing resources and develop the state’s health professional workforce. HB93 would implement this recommendation in law and provides a clear process and accountability for strategic health planning in New Mexico.

Comprehensive planning across the public and private sectors has the potential to improve performance of the entire health system and its component agencies, organizations, and individuals.

Human Services Department (HSD), Children, Youth and Families Department, and Aging and Long-Term Care Department are not specifically named as participating in the development of the Plan. Also, insurers and Managed Care entities are not specifically included among those to be consulted in developing the Plan. (Reference Amendments Below)

A completion date of July 1, 2004 for the Plan appears unrealistic for what will be a very complex document.

NM Health Policy Commission administers the Health Information and Alliance Act as well as the Hospital Inpatient Discharge Database (HIDD). The HPC purpose is to plan and monitor implementation of the state’s health policy, obtain and evaluate information regarding the avail-

ability and accessibility of health services. Therefore, the concept of the bill aligns with the statutory duties of the NM Health Policy Commission. The bill assigns major responsibility to the Health Department for the plan and HPC appears to be a minor player. It seems that the DOH is undertaking more of the responsibilities for these types of activities and perhaps the mission of the HPC needs to be re-evaluated

FISCAL IMPLICATIONS

HB93 contains no appropriation. However, DOH is fully committed to accomplishing the statewide comprehensive health plan utilizing existing human and financial resources.

Data and development of health status and systems indicators will require additional resources to assure that the needed data sets are identified and, if not currently in place or complete, be developed. The state will need to invest in establishing additional central or state level data systems, such as the collection of surveillance data for ambulatory health care services and those delivered by hospital emergency departments and other primary care providers throughout New Mexico.

ADMINISTRATIVE IMPLICATIONS

The development, implementation and sustainability of a statewide comprehensive health plan as envisioned in HB93 will require no new fiscal and/or programmatic resources for DOH. However, other state agencies have expressed some moderate administrative implications in terms of additional staff time requirements.

OTHER SUBSTANTIVE ISSUES

New Mexicans rank low in access to health care; 20.7% are uninsured, one-third of children and adults living 100% to 200% below the poverty level are also uninsured. Regardless of insurance coverage or lack thereof, 62% of insured adults and 29% of uninsured adults report having unmet health care needs.

The comprehensiveness of the proposed strategic plan in HB93 supports the DOH to address the individual, community and systems related issues that affect the health and well being of our citizens.

Opportunities exist to coordinate statewide planning activities to meet both short term and long-term goals.

AMENDMENTS

HSD, CYFD and ALTCD suggest the following amendments for consideration:

Page 2, Line 5 add: Human Services Department, Children, Youth and Families Department and the Aging and Long-term Care Department, other state agencies, the State's Managed Care Organizations, and the State's major insurers as participants in the development of the Plan in Page 2, Section C.

DOH suggests the following amendments for consideration:

Page 3, Line 2-4, change to: (2) the diseases, injuries and risk factors for physical, behavioral and oral health that have the greatest impact in causing illness and death in the state, with special

attention to and recognition of the disparities that currently exist for different population groups;

Page 3, Line 14 after “includes” add: public health services, emergency medical services, before “primary care”.

Page 4, after Line 14 and before Section 2, add: (13) planning and response to public health emergencies such as bioterrorism, pandemic flu, disease outbreaks and other situations that will require a coordinated response by the health care system.

POSSIBLE QUESTIONS

Why isn't HPC the key agency in this endeavor?

BD/yr:lg