

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/09

SPONSOR Picraux LAST UPDATED _____ HB 228

SHORT TITLE Require Nurse Advice Line Requirements SB _____

ANALYST Chabot

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Indeterminate See Below	Indeterminate See Bellow	Indeterminate See Bellow	Recurring	General fund/Federal Funds

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 General Services Department (GSD)
 Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 228, Require Nurse Advice Line Requirements, requires any individual (company) contracting with HSD to enroll individuals in a department operated health plan, must enter into a service agreement with the New Mexico 24-hour statewide nurse advice line, for services the nurse advice line provides to department enrollees.

FISCAL IMPLICATIONS

No funding is contained in the bill; however, HSD would incur expenses in calculating the additional costs to Salud! Providers and renegotiate contracts to pay for this additional service.

SIGNIFICANT ISSUES

HSD states “Three department contracted MCOs currently have a signed reimbursement agreement with the New Mexico Nurse Advice Line for payment on a capitated monthly basis. There have been serious performance-related issues in meeting abandonment rate standards and the nurse advice line is under a corrective action plan for not meeting standards. Any mandated

line would have to meet performance standards. Other options are available that do meet these standards.

The three MCOs that do not have a capitated payment agreement with the New Mexico Nurse Advice Line currently provide this 24-hour nurse advice line services to their enrollees in a more cost-effective manner, and receive additional report information and data. However, they must make payment to the New Mexico Nurse Advice Line for any services accessed by their members. Mandating a monthly capitation contract would increase their administrative costs and decrease their operational effectiveness. The current nurse advice line is not able to meet the coordination of care standard that some MCOs have.”

GSD notes the bill only pertains to HSD and its managed care contracts. It does not apply to state employee health insurance plans.

DOH comments, “There is currently one New Mexico-based nurse advice line, NurseAdviceSM New Mexico, which is a statewide nurse advice line and which has been in operation since 2006 as a result of a legislative appropriation to the Department of Health. NurseAdviceSM New Mexico was developed as an avenue to promote access to a healthcare professional 24 hours a day, 365 days per year for all citizens of the State, regardless of insurance coverage. The Department of Health contracts with NurseAdviceSM for nurse advice services as well as for immunization related services during the influenza season. Other entities also contract with the nurse advice line for services.”

ADMINISTRATIVE IMPLICATIONS

HSD policy and contract language revisions will need to be made for both the Salud! and Coordinated Long Term Services (CoLTS) programs. Waivers cost effectiveness would have to be redone and resubmitted.

TECHNICAL ISSUES

HSD assesses the language referring to a “person that enters into an agreement with the department” is not clear if this means a managed care organization. The bill language requires entering into a service agreement for services the nurse advice line shall provide to the department enrollees. It’s unclear if the intent is only requiring reimbursement for enrollees who actually access this service, or for all enrollees

OTHER SUBSTANTIVE ISSUES

Mandating that all MCOs contract with his New Mexico Nurse Advice line for monthly capitated payment of all enrollees will increase non-contracted MCO administrative costs and decrease their operational effectiveness, their current performance standards may not be met, and they could potentially request increased department capitation payments to offset this cost increase.

ALTERNATIVES

Change the requirement as a condition to be added to the request for proposal process and contract negotiation upon renewal. Exempt contractors that provide a similar service.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Current services will remain in effect.

POSSIBLE QUESTIONS

1. What will be the major benefits of this bill to the clients of HSD administered Medicaid plans?
2. Can individuals access the Nurse Advice Line without being enrolled in a state-sponsored health plan?
3. Will benefits be worth the additional costs?
4. If a contractor has its own advice line, will it still have to subscribe to the Nurse Advice Line?

GAC/mc