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FISCAL IMPACT REPORT

ORIGINAL DATE 3/3/15

SPONSOR Beffort **LAST UPDATED** _____ **HB** _____

SHORT TITLE Corrections Healthcare Taskforce **SB** 670

ANALYST Chenier

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications	See Fiscal Implications	See Fiscal Implications	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

- Department of Health (DOH)
- Office of the State Auditor (OSA)
- Human Services Department (HSD)
- New Mexico Corrections Department (NMCD)

SUMMARY

Synopsis of Bill

Senate Bill 670 would require the NMCD secretary to convene a “corrections health care task force” to study health care quality and cost at the Corrections Department. The task force would examine the following:

1. Health care outcomes and measures;
2. The cost of health care services that the Corrections Department receives from all sources with the department required to disclose its reimbursement rates;
3. Opportunities for third-party reimbursement for Corrections Department health care costs, including reimbursement through federal and state medical assistance programs;
4. Opportunities for decreasing recidivism through the effective delivery of health care services to prisoners; and
5. Corrections Department’s implementation of COMPAS or another risk and needs assessment mechanism relating to health care services.

The “corrections health care task force” would be composed of the secretary of corrections and the department’s health services administrator, and representatives from the Department of

Health, Human Services Department, Legislative Finance Committee staff, Office of the State Auditor, UNM Health Sciences Center including one representative from Project ECHO telehealth program, Corrections' MCOs, health care professional organizations, Sentencing Commission, national corrections health care accrediting body, and an advocacy organization for incarcerated individuals.

The “corrections health care task force” would meet for two years, 2015-2016, and provide a report in December of each year to the Governor, the Courts, Corrections and Justice Committee, the Legislative Health and Human Services Committee, and the Legislative Finance Committee.

FISCAL IMPLICATIONS

A representative from the Human Services Department (HSD) would be required to serve on the task force. It is estimated that this would require one-fourth of an FTE at an approximate cost of \$30,000 when the taskforce is convened (until November 2016). This includes a 50 percent match with federal funds.

None of the other respondents noted a fiscal impact.

SIGNIFICANT ISSUES

NMCD provided the following bullets:

- The task force’s recommendations could result in improved health care, or at the least provide a roadmap to improved care.
- The task force’s analysis of whether NMCD or state is receiving the quality of health care for which it is paying could be meaningful.
- To analyze if the state is receiving the quality of care for which it is paying, the task force’s in-depth analysis of current care and short- and long-term outcomes would likely be helpful.
- The task force provides an opportunity for meaningful engagement with DOH and UNM HSC re: 340b fee schedule for pharmaceuticals
- The task force provides a meaningful opportunity for more direct and meaningful engagement with UNM HSC re: collaboration in provision of health care, and/or assumption of NMCD contract to provide all care.
- The collaboration of task force members may result in a more efficient or rapid adoption of newer evidence-based or promising-practices health care practices.
- NMCD’s access to training in or exposure to best practices in health care staff-patient relationships as a result of the work of the task force could likely improve or enhance quality of care.
- The work of the task force could help NMCD, state government, governor, legislature, other agencies and others perhaps better understand the potential positive effects of quality prisoner health care on reducing recidivism.
- Some of the task force analyses or inquires relate to projects that are already on NMCD’s agenda (such as long-term care and extended care), and the work of the task force could enable NMCD to move those projects along in a more meaningful manner.
- By putting the current health care system under objective scrutiny, the task force’s work could likely ultimately improve or enhance inmate medical care.

However, the bill as written does present some problems for the task force and NMCD. First, it seems unlikely that the task force could complete its numerous assigned tasks by the deadlines set in the bill. Second, some of the analyses required by the task force would likely need NMCD information technology office's input and support, and the current IT system utilized by NMCD is over 15 years old, will be expensive to replace, and may not be able to meet all of the technological requirements or demands of the work of the task force. Third, the bill does not authorize the Secretary of Corrections to have a designee serve on the task force, although said designee might have the medical expertise or experience needed to facilitate and complete the task force's many tasks in a more efficient and timely manner.

HSD provided the following:

The task force would examine opportunities for third-party reimbursement through federal and State medical assistance programs. While Medicaid funds are not available for health services provided to incarcerated persons while incarcerated, with the exception of inpatient stays as described below, HSD could collaborate with the Department of Corrections to match expenditures (at 50%) associated with the administration of the Medicaid program. An example of this would be Medicaid application assistance activities.

HSD created a new category of eligibility (COE) called Short Term Medicaid for Incarcerated Individuals (STMII). When an incarcerated individual leaves the facility for inpatient services, a Medicaid eligibility determination will be made for coverage of those services. The individual must be admitted to the hospital and stay for a minimum of 24 hours for the services to be covered.

AGO stated that the State Auditor's Government Accountability Office supports increased transparency and accountability regarding collection and expenditure of taxpayers' dollars, and Senate Bill 670 would assist with this goal.

DOH provided the following:

New Mexico has a substantial population of incarcerated individuals. Many of these people have health conditions which can be treated while they are incarcerated within facilities operated by the Corrections Department. Health care services within the Corrections Department can have an impact on the general public's health, safety and well-being. In most cases, persons with chronic diseases such as Human Immunodeficiency Virus (HIV) who begin treatment before incarceration will need these medical services to be continued to ensure the best possible health outcomes. In other cases, persons may be diagnosed with infectious diseases such as hepatitis C virus (HCV) while incarcerated and require timely treatment to prevent illness or death.

Treatments can improve a person's health and can decrease a person's ability to transmit diseases to others after release, therefore having an impact on public health. For example, emerging treatments can now cure HCV in many cases, so persons treated while incarcerated can both anticipate better outcomes for themselves and also can no longer transmit the virus to others.

A study of the cost of services and options for prescription drug discounts, measures to maximize efficiency, and strategies to increase third-party reimbursement has the

potential to increase access to health care services for infectious diseases. Most individuals are released to community locations in New Mexico after incarceration, such health care in correctional settings can reduce the need for public health services and medical treatments. Given epidemiological data that show a huge burden of disease in New Mexico, i.e., over 30,000 New Mexicans living with chronic HCV infection, this can help to reduce the burden and strain on existing public health and health care resources; as well as, protecting the public's health.

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