F I S C A L I M P A C T R E P O R T

SPONSOR Ortiz y Pino **ORIGINAL DATE** 2/8/16 **LAST UPDATED** 2/8/16 **HB**

SHORT TITLE Medicaid Nurse Advice Line **SB** 292

ANALYST Chilton

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	**FY17**		
	$750.0*	Recurring	Medicaid Nurse Advice Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY16	**FY17**	**FY18**		
	$750.0*	$750.0*	Recurring	Medicaid Nurse Advice Fund

* This bill establishes the "Medicaid Nurse Advice Fund," assesses each Medicaid managed care organization (MCO) to fill the fund, and then expends the fund's annual assessments to support the Nurse Advice Line. Thus there is no net effect on the state budget.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		$104.7	$104.7	$209.4	Recurring	General Fund/Federal Match†

† The federal match applies to Medicaid expenditures. For traditional Medicaid populations, the Federal Medicaid Assistance Percentage (FMAP) for New Mexico in FY 2017 is 71.13%; this would translate the above cost to a state share of $30,200 per year; the FMAP for "newly eligible adults" enrolled after passage of the Affordable Care Act, is 95%. To the extent that these nurse advice services are provided to "newly eligible adults," the state share of the expense would be correspondingly reduced.

Relates to HB 295 and SB 25, which duplicate one another.

SOURCES OF INFORMATION

LFC Files

Responses Received From
Board of Nursing (BN)
Department of Health (DOH, relative to HB 295)
Human Service Department (HSD)

SUMMARY

Synopsis of Bill

SB 292, Medicaid Nurse Advice Line, creates a new fund, entitled "Medicaid Nurse Advice Fund." In order to fill the fund, assessments would be made of each Medicaid MCO, each assessment being an equal share of the total $750 thousand per year. It would then spend the $750 thousand annually to contract for nurse telephone advice services.

FISCAL ISSUES

As noted above, this bill establishes a fund for the purpose of contracting for nurse advice services and authorizes expenditures from that fund for those services. The fund would be filled with an equal assessment of each MCO, and the fund would be administered by HSD. HSD comments as follows:

> Currently, the MCOs provide nurse advice line services as part of the administrative services funded under their contracts with the State. It is unclear how the fees would be collected from the MCOs. Possibilities include that their capitation rates would be reduced to accumulate the total fees required by the bill, or the MCOs would return funds to the department to make up the total fee. Either scenario requires additional calculations in the setting of the capitation rates by the actuary, and it is unclear whether the fees to be collected from the MCOs would be matchable with federal dollars. It is also not clear how the amount of $750 thousand was determined to be the annual cost for a statewide nurse advice line for Medicaid. The inclusion of this fee in the rates for the MCOs could result in an increase for Medicaid program costs.

SIGNIFICANT ISSUES

HSD stated (with respect to HB 295) that the Medicaid program currently funds nurse advice lines through Centennial Care Managed Care Organizations (MCO). Advice lines triage patient questions and concerns and directly refer members to care coordinators and service providers within the individuals' networks. Nurse advice lines also conduct calling campaigns for preventive care reminders. Nurse Advice New Mexico maintains a website with reminders about such preventive care needs.

With respect to this bill, SB 292, HSD comments as follows:

> The Affordable Care Act and New Mexico's decision to expand Medicaid to many uninsured adults, has shifted much of the state's uninsured population to a population that

has coverage and interacts more regularly with their insurance company. Centennial Care members are able to contact their MCOs with all issues related to their healthcare needs. Requiring members to contact a third party for nurse advice fragments the system and creates an unnecessary barrier to achieving integration of care.

The MCOs administer a robust care coordination program with many members assigned to a particular care coordinator. When members contact the MCOs' nurse advice lines, their care coordinator is alerted and oftentimes, members are able to receive a warm hand off to a care coordinator immediately. This integrated approach improves access to care as staff with the nurse advice line is able to make critical follow up appointments with providers, including immediate access to video doctor visits via a smart phone application; alert the member's care coordinator to escalating health issues and immediately review the member's electronic health record and comprehensive care plan in order to have the most up-to-date member health information at their fingertips. An integrated system optimizes the member's experience and ensures the right amount of care in the most appropriate setting is provided, including the ability to redirect members away from emergency room care, when appropriate. Removing these internal functions from the MCOs and mandating that they be administered by an entity independent of the health plans further disrupts the work being done to improve care integration in Centennial Care.

The Medicaid MCO contractual requirements for nurse advice line activities are rigorous, including the ability to transfer and receive calls to member services call centers and care coordinators in real time (warm transfers) and provide member and MCO specific data. Sanctions are levied on the MCOs when they fail to meet the requirements. This ensures standards are maintained across the system. Additionally, the MCOs are able to achieve efficiencies by using the nurse advice line for all lines of business, including commercial products. To have to operate and pay for two separate nurse advice lines—one for Medicaid and a different one for other lines of business—will increase administrative costs and create duplication of resources.

DOH (in response to HB 295) provided the following:

The DOH Public Health Division has an existing multi-year contract with Nurse Advice New Mexico (NANM) for $399 thousand per year that expires at the end of FY17. Other nurse advice lines are operated within the state; for example, healthcare insurance companies like Molina and BlueCross BlueShield have nurse advice lines for members.

NANM serves approximately 15,000 people per month. An estimated 15 percent of the callers are uninsured, and over 1 million New Mexicans are registered in the system and have access to services. (www.nurseadvice.org/our-results/people-served/.

Thirty-two of the state's thirty three counties contain Health Professional Shortage Areas (Health Equity Report, 10th Edition, DOH Office of Health Equity). Nurse advice lines may help New Mexico communities by providing a venue for community members to receive free health information and advice 24/7, thereby reducing emergency room and hospital costs.

> In addition, the nurse line may include a mechanism to warn the public about emerging infectious disease threats, disease outbreaks, and events that might improve health status in a community such as flu shot clinics and free dental care clinics, as is currently done with NANM.

During the interim, the Legislative Health and Human Services took testimony from representatives of Nurse Advice NM (NANM) and from several health plans that maintain their own nurse advice lines (Presbyterian, Molina, CHRISTUS, BlueCross BlueShield, and United Health Care). NANM indicated that its contracted budget was inadequate for the 24/7/365 services it is providing. According to minutes of the meeting of November 17, 2015,

> David Roddy, executive director, New Mexico Primary Care Association, told committee members that NANM has been providing excellent service and is extremely important to community health centers and rural providers, especially because of its after-hours service. The biggest barrier to recruitment of physicians in frontier areas is the amount of time required for them to be 'on call.'

The model appears to have changed, in that the state's four Medicaid MCOs have established their own advice lines and no longer pay into the partnership that sustained NANM. This bill would reinstate a single Medicaid nurse telephone advice line sustained by assessments levied on the Medicaid MCOs.

ADMINISTRATIVE IMPLICATIONS

HSD would administer the Medicaid Nurse Advice Fund and indicates that "the additional administrative duties associated with implementing SB292 would require HSD to hire two additional staff. One staff person would oversee a statewide contract for a single nurse advice line entity, receive training and maintain expertise about best practices for call center operations. The annual cost for one full time FTE to provide contract oversight would be $69,793. The requirements of this bill would also necessitate HSD to administer the Medicaid Nurse Advice fund which would require an additional part-time staff person at an annual cost of $34,896."

RELATIONSHIP with duplicate bills SB 25 and HB 295, which would establish a task force to study the provision of telephone nurse advice to Medicaid recipients and to appropriate the same amount of money, $750 thousand, to provide those services.

TECHNICAL ISSUES

Each Medicaid MCO is assessed the same amount for this service, regardless of the number of Medicaid patients served.

OTHER SUBSTANTIVE ISSUES

The Board of Nursing makes note of jurisdictional issues: if a Medicaid patient is traveling out of state and calls back to the New Mexico nurse advice line, the answering nurse may be outside her/his jurisdiction. Similarly, if an out-of-New Mexico nurse were providing advice to a patient outside her/his own state (including in New Mexico), that nurse would be practicing outside

her/his jurisdiction. In either case, the problem would be resolved if the nurse held a "compact multistate license" and the state in which she/he was practicing participates in the Nurse Licensure Compact. Currently 25 states participate in the Nurse Licensure Compact, including New Mexico and all of the states abutting the state except Oklahoma. (https://www.ncsbn.org/nurse-licensure-compact.htm).

ALTERNATIVES

Each Medicaid MCO could continue to provide nurse advice through its own system to its own enrolled Medicaid clients. It is uncertain who, if anyone, would provide nurse advice to uninsured patients.

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