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FISCAL IMPACT REPORT

SPONSOR Ortiz y Pino ORIGINAL DATE 1/28/17
LAST UPDATED _____ HB _____
SHORT TITLE Ban Health Care Practitioner Discrimination SB 10
ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Office of Superintendent of Insurance (OSI)

SUMMARY

Synopsis of Bill

Senate Bill 10 (SB10) would enact new sections of the Group Benefits Act, the Health Maintenance Organization Law, and the Nonprofit Health Care Plan to ban discrimination against health care practitioners working within the scope of their license or certification.

The new provisions would not require a group health plan, an insurer, a carrier, or a health plan to contract with any health care practitioner willing to abide by the terms and conditions for participation established by that entity, and would not prevent the entity from establishing varying reimbursement rates based on quality or performance measures.

FISCAL IMPLICATIONS

None noted; however, HSD did point out if the bill is intended to prevent health care payor organizations from paying lower rates to mid-level providers than are paid to medical doctors (MDs), it would have the effect of increasing expenditures under the Medicaid program. Some

Medicaid Managed Care Organizations' (MCOs) provider contracts differentiate payment levels between mid-levels and MDs.

SIGNIFICANT ISSUES

HSD indicated discrimination is not defined in the bill so it is unclear what types of existing actions would be prohibited.

Section 4 of SB 10 would add a new section to the Health Maintenance Organization Law that specifically prohibits discrimination against any health care practitioner who is acting within the scope of that health care practitioner's license or certification. However, the bill states also that the provisions in that section shall not be construed as requiring a carrier to contract with any willing provider who agrees to the terms and conditions of the carrier; nor does it prevent a carrier from establishing varying reimbursement rates based on quality or performance measures. HSD notes MCOs are contractually obligated to be non-discriminatory in decisions about provider credentialing or re-credentialing.

Also, the Act specifically states these entities are not required to contract with any health care practitioner willing to abide by the terms and conditions for participation established by the MCOs, and MCOs can establish varying reimbursement rates based on quality or performance measures. This language in the bill is important because it preserves the ability of health care plans and insurers to establish varying reimbursement rates based on quality or performance measures.

OSI notes this bill largely duplicates provisions under N.M.S.A 1978, § 59A-47-28.3, Provider discrimination prohibited and N.M.S.A 1978, § 59A-47-28.2 Doctor of Oriental Medicine Discrimination Prohibited, which prohibit discrimination in contracting and payment for services by nurse practitioners, physician assistants, and alternative medicine providers. This bill might seek to expand the scope of the previously targeted non-discrimination provisions to all providers.

OTHER SIGNIFICANT ISSUES

HSD is currently working to implement Value Based Payment (VBP) (also referred to as Value Based Purchasing). VBP aims to improve the quality and value of health care services. A VBP system includes financial incentives to providers who are able to provide high quality services that result in improved health and fewer recurring incidents. The goal is better health for all, better care for individuals, and lower health care costs through improved health outcomes.

In 2016, the Behavioral Health Collaborative Strategic Plan Finance Workgroup recommended the implementation of value-based purchasing (VBP) to support integrated care and reinforce better health outcomes. Additionally, HSD has included VBP as a new contractual requirement in the Managed Care Organization (MCO) contracts. In CY17, MCOs are required to spend a minimum of 16 percent of provider payments in VBP arrangements. The MCOs must include behavioral health community providers in its VBP arrangements.