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

SPONSOR SPAC **ORIGINAL DATE** 2/8/19 **LAST UPDATED** 3/11/19 **HB**

SHORT TITLE Pediatric Subspecialty Task Force **SB** 388/SPACS/aSFC

ANALYST Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		$77.5	$79.0	$156.5	Recurring	General Fund
		$77.5	$79.0	$156.5	Recurring	Federal Medicaid match
Total		$155.0	$158.0	$313.0	Recurring	

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to 2018 House Memorial 14

SOURCES OF INFORMATION
LFC Files

Responses Received From
Department of Health (DOH)
University of New Mexico Health Sciences Center (UNM HSC)
Presbyterian Healthcare Services (PHS)
Children, Youth and Family Department (CYFD)
Human Services Department (HSD)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amendment to Senate Public Affairs Committee Substitute for Senate Bill 388 adds a section to the bill providing for the task force to end its existence on or before June 30, 2022.

Synopsis of Original Bill

Senate Public Affairs Committee Substitute for Senate Bill 388 would require the Human Services Department to convene a task force, pursuant to 2018 House Memorial 14 and needs identified by health care providers throughout the state, that would study means of coordinating pediatric subspecialty care, including behavioral health care in New Mexico. Although the need for subspecialty care is much less common among children than among adults, there is a

correspondingly far lower presence of subspecialists (e.g., cardiologists, rheumatologists, infectious disease specialists, pulmonologists) dealing with children in the state, virtually all of them concentrated in Albuquerque at UNM HSC and at PHS.

The task force would keep track of efforts of the two major systems to work together and assist them in doing so. It would develop both short-term and long-term plans to address behavioral health and subspecialty care for children. It would work on means whereby information could be efficiently exchanged between the systems, and would study the possibility of a single children's institution, either located in one place or connected through strong ties, where children could find all subspecialists, and from which at least two outlying sites could also be served. In the case of a pediatric subspecialty not available in New Mexico, care would be coordinated with an out-of-state provider of those services.

The task force would have at least 16 members, including representatives

1) from the New Mexico Pediatric Society,
2) from the New Mexico Medical Society,
3) from DOH,
4) from HSD,
5) the medical director of the DOH program for children and youth with special health care needs,
6) a family with a child with special health care needs,
7) from a parent advocacy organization,
8) from each of the institutions providing subspecialty care, a pediatric medical subspecialist,
9) from each of the institutions providing subspecialty care, a pediatric surgical subspecialist,
10) from a nonprofit organization that advocates for children,
11) of pediatricians practicing more than 100 miles from Albuquerque and from a health-shortage area as defined by HRSA,
12) a pediatric behavioral health provider
13) from each of the institutions providing care to behavioral health care needs.

The task force would receive medical, technical and legal support from HSD, which would request funding for its work. Members of the task force would receive per diem and mileage reimbursement.

The task force would be required to report to the LHHSC by the end of November 2019 and make a final report to that committee one year later.

FISCAL IMPLICATIONS

HSD, which is required to convene and support the proposed task force, estimates its costs as follows: "If SB388 is enacted, HSD estimates it would need at least two full-time equivalents (FTEs) or contract staff to assist with the work of the Task Force. Ideally, one of the two additional FTE mentioned here should be a clinician who is familiar with pediatric care and the various needs of medically fragile beneficiaries who may require pediatric subspecialty services. The cost for these two staff would be approximately $155 thousand per year in state and federal funds. "

In addition, the cost of mileage and per diem for a 12+ member task force meeting at least four times must be added.

SIGNIFICANT ISSUES

Presbyterian Healthcare Services notes ongoing and continuing collaborations in some ways to coordinate children's specialty care. However, there has been conflict in the relationship between the two entities as well, with children at times having been sent out of state by either program for a service that could have been obtained at the other entity. And in 2013, the two parties could not come to agreement on pricing of services, resulting in patients insured by Presbyterian Health Plans having no access to primary care services at UNM, and limited access to specialty services (www.abqjournal.com/442938/a-presbyterian-unmh-coverage-snafu.html).

This bill is a response to the task force set up through 2018 House Memorial 14. That task force made ten recommendations: establish a single unified Children's Hospital; encourage preferred use of in-state pediatric subspecialty care; establish a pediatric complex care clinic; enhance care coordination for children with medical and social complexity; reestablish a Governor's level Children's Cabinet; fund a one-stop website for information on pediatric subspecialists; support strategies to increase recruitment and retention of pediatric subspecialists; create a Community Advisory board to advise the institutions as they work towards a more collaborative model of subspecialty care provision; improve information sharing between health systems, practitioners and health plans; and increase behavioral health care services for children (https://www.nmaap.org/)

Of the need for coordination services, DOH notes

> Difficulties accessing subspecialty care in NM include: a lack of pediatric subspecialists due to difficulties with recruitment and retention; complex issues around care management regarding securing appointments and testing in a timely way; and transportation difficulties due, in part, to limitations and barriers imposed by health systems and health plans. Some families need to seek care out of state, and others are sent out of state by their insurance company for care that could have been obtained in NM, due to contracting issues between the institutions and the insurance carriers. For families living near the poverty line, a hospital stay in another state imposes immense hardships. Medicaid pays for some travel expenses but not for the "hidden" costs – the missed days at work, the lost jobs, childcare for siblings, and the stress of family separation.
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> The NMDOH Children's Medical Services (CMS) program works to address some of these issues by contracting with the University of New Mexico Hospital (UNMH) and Presbyterian Hospital to staff pediatric specialty outreach clinics, hosted and managed by CMS staff in the rural Public Health Offices. Use of telehealth as an adjunct to the in-person clinics is being considered for certain specialties. However, appointment slots are limited, not all specialty services can be provided in this format, and the program is not able to address the overarching need for subspecialty services in a comprehensive way…
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> The population that would be served by SB388 would be children and youth with special health care needs and their families in New Mexico. Disparities in access to health care occur for many families living in rural and frontier areas of the state, including tribal and border communities. SB388 would help to improve statewide access to a more collaborative model of pediatric subspecialty care provision and improve access to care that is of high quality, safe, efficient and coordinated.

UNM HSC states further that "The Task Force had a total of four meetings and developed a series of recommendations. A full copy of their report and recommendations can be found here: https://docs.wixstatic.com/ugd/d4e41e_7a958143cd3147b7926a961e89f6fb97.pdf. The Task Force identified delays in care, along with lack of coordination and integration as top concerns. Pediatric subspecialty providers, including UNM Children's Hospital, committed to working together to continue addressing these partnerships. They pointed to a successful collaboration between Presbyterian Healthcare Services' pediatric cardiothoracic surgery service and UNM Children's Hospital's pediatric cardiology group as an example of the successes that can be achieved through smart collaborations."

The January 2019 newsletter of the New Mexico Pediatric Society marks recent progress regarding subspecialty care contracting between University of New Mexico Health Sciences Center and Presbyterian Health Plans, as follows, "Presbyterian Health Plan is currently contracted with UNM for all facility/professional services they are able to provide, however both parties have agreed that any services provided that are not listed below will require an access authorization. PHP allows patients to be referred to UNM Genetics, Pediatric and Adult Neurosurgery, Pediatric and Adult Neurology, Pediatric Gastroenterology, Pediatric Orthopedic Surgery, Pediatric Otolaryngology, Pediatric Rehabilitation, Pediatric Rheumatology, Pediatric Radiation Oncology, Pediatric Urology, Pediatric Dermatology, Pediatric Orthotics and Prosthetics, Radiation Oncology- Tomotherapy, Cerebral Palsy Clinic, Cystic Fibrosis Clinic-Adult & Pediatric, Health Beginnings (CYFD/Foster Family Transition Clinic), Maltreatment Clinic (Child Abuse), Milagro and Focus Programs, and Spina Bifida Clinic."

PERFORMANCE IMPLICATIONS

UNM HSC notes concerns about possible antitrust considerations if the two primary (and in general, the only two) providers of children's service were to work together closely.

TECHNICAL ISSUES

The task force might add a family physician, inasmuch as family physicians care for many children throughout New Mexico, especially in rural and frontier areas.

As noted by HSD, "The ability to establish at least two pediatric subspecialty centers in rural regions of the state as mentioned in the bill depends not only on provider availability, but also the infrastructure required to construct such centers. This is a separate, more complex rural health issue by itself and is being addressed via a rural health workgroup led by several legislators and DOH."

OTHER SUBSTANTIVE ISSUES

Related to the use of out-of-state children's facilities, HSD has performed a study of Medicaid claims, with the following results and the agency's comments:

> To determine the extent of the issue, HSD performed an ad hoc query of Medicaid claims data to determine the number of unduplicated members who were 18 years old or younger during state fiscal year (SFY) 2018 with paid claims at four out-of-state institutions that are currently in contract with HSD to provide services similar to the ones

defined in the bill. These four institutions are El Paso Children's Hospital, Arkansas Children's Hospital, Children's Hospital Colorado, and Lucile Salter Packard Children's Hospital at Stanford.

El Paso Children's Hospital, with its close proximity to the Las Cruces/Doña Ana County area, served the highest number of Medicaid beneficiaries, at approximately 1,500 Medicaid beneficiaries and approximately $3.4 million in claims paid on their behalf. Approximately 500 children were seen at the other three hospitals combined.

It is important to note that while building a more robust network of pediatric subspecialty providers in New Mexico is an important initiative to improve access to care in the state, there are some instances in which it will likely be more convenient for beneficiaries to access care at an out-of-state facility, such as for individuals who live closer to El Paso than to Albuquerque or Santa Fe.

ALTERNATIVES

Presbyterian Health Services comments that "Rather than requiring the task force to study the feasibility of a children's hospital, we would recommend amending the bill to ask that the task force focus on recommendation 10 from the HM14 task force report: 'Increas[ing] access to behavioral healthcare for children.'

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