HUMAN SERVICES DEPARTMENT

LFC PANEL ON RURAL HEALTH

AUGUST 23, 2023

LORELEI KELLOGG, ACTING MEDICAID DIRECTOR

INVESTING FOR TOMORROW, DELIVERING TODAY.

BEFORE WE START…

On behalf of all colleagues at the Human Services Department, we humbly acknowledge we are on the unceded ancestral lands of the original peoples of the Apache, Diné and Pueblo past, present, and future.

With gratitude we pay our respects to the land, the people and the communities that contribute to what today is known as the State of New Mexico.

Evening drive through Corrales, NM in October 2021.
By HSD Employee, Marisa Vigil

HUMAN SERVICES DEPARTMENT

MISSION

To transform lives. Working with our partners, we design and deliver innovative, high quality health and human services that improve the security and promote independence for New Mexicans in their communities.

GOALS

We help NEW MEXICANS

1. Improve the value and range of services we provide to ensure that every qualified New Mexican receives timely and accurate benefits.

We communicate EFFECTIVELY

2. Create effective, transparent communication to enhance the public trust.

We make access EASIER

3. Successfully implement technology to give customers and staff the best and most convenient access to services and information.

We support EACH OTHER

4. Promote an environment of mutual respect, trust and open communication to grow and reach our professional goals.

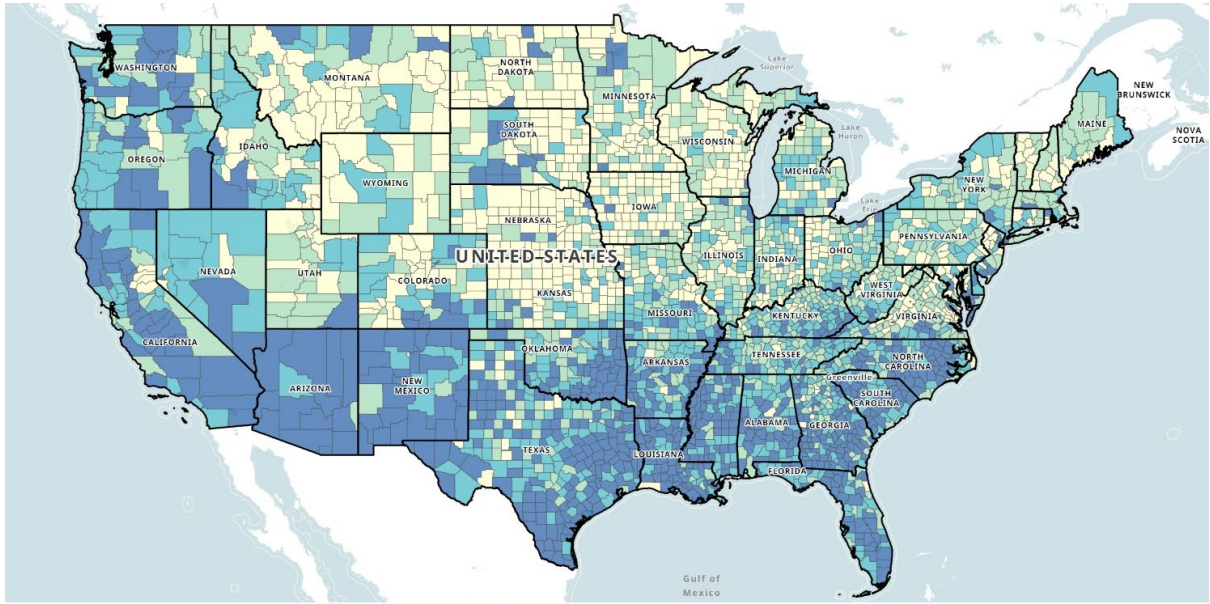
NM HAS HIGHEST SOCIAL VULNERABILITY IN THE U.S.

Overall Vulnerability

Socioeconomic Status	Below Poverty
	Unemployed
	Income
	No High School Diploma
Household Composition & Disability	Aged 65 or Older
	Aged 17 or Younger
	Older than Age 5 with a Disability
	Single-Parent Households
Minority Status & Language	Minority
	Speak English "Less than Well"
Housing & Transportation	Multi-Unit Structures
	Mobile Homes
	Crowding
	No Vehicle
	Group Quarters

SOCIAL VULNERABILITY INDEX BY COUNTY, 2020

Darker color represents higher vulnerability

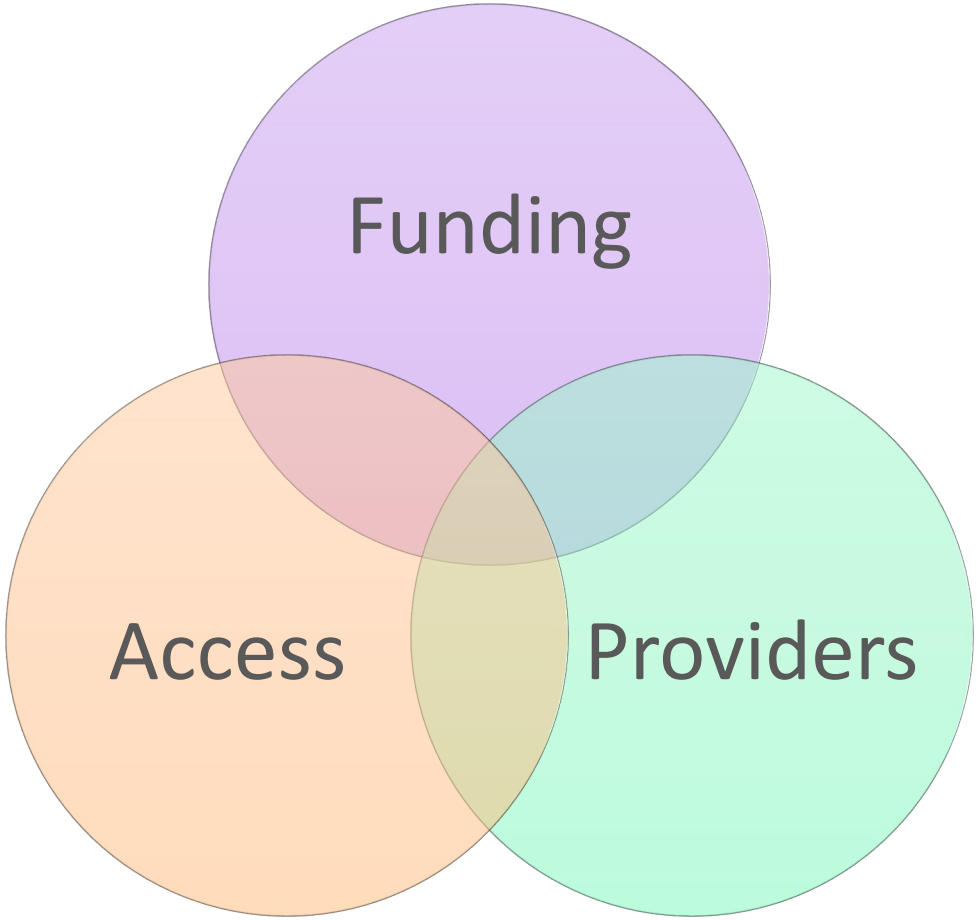


Level of Vulnerability

Low	Low-Medium	Medium-High	High	No Data

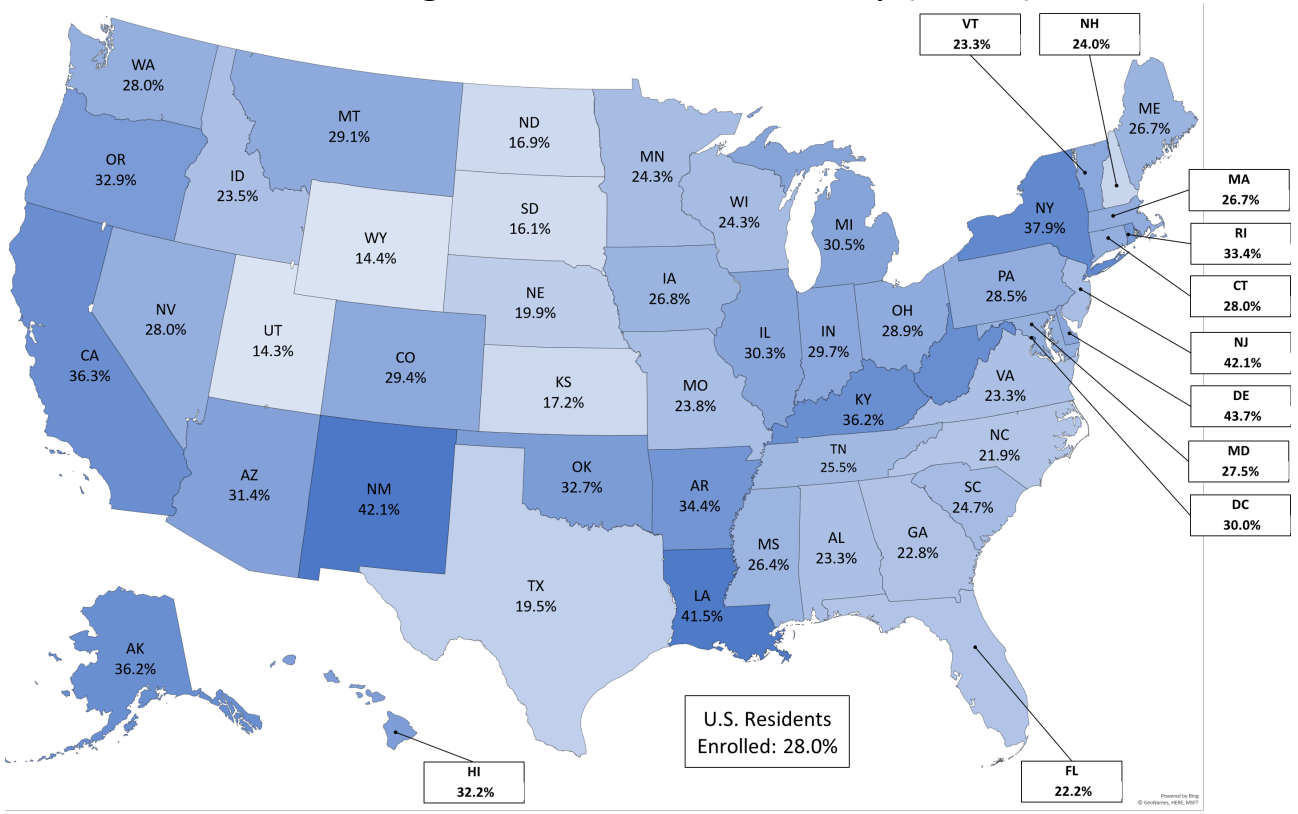
Source: https://www.atsdr.cdc.gov/placeandhealth/svi/interactive_map.html

SUPPORTING RURAL HEALTHCARE



Residents Enrolled in Medicaid & CHIP, 2/2023 (%)

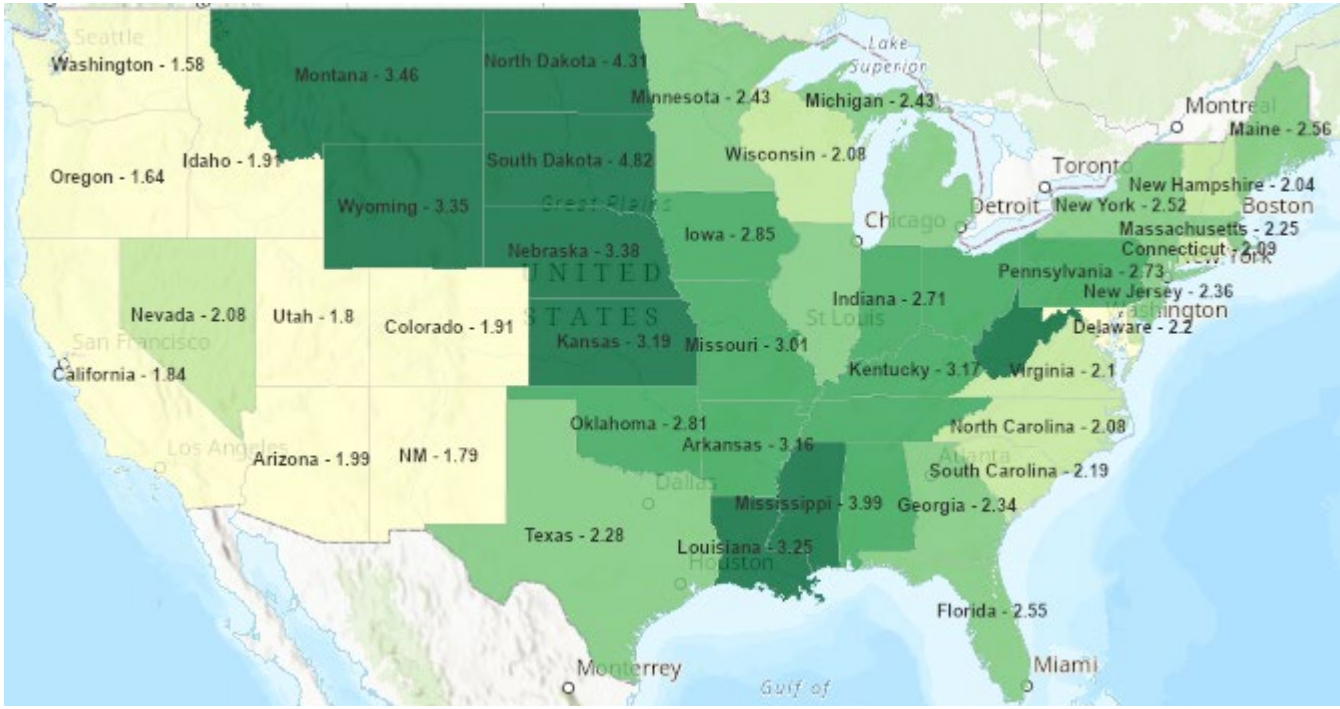
NM 2nd highest enrollment nationally (42.1%)



RURAL HEALTHCARE DELIVERY FUND

- $80M appropriated for FYs 24-26
- Fund provides grants to defray operating losses and start-up costs of rural healthcare providers and facilities that provide new or expanded services.
- Request for Applications is out now!
  - Deadline for expedited funding is 9/21/23 (otherwise applicants have until 10/6/23).
  - https://www.hsd.state.nm.us/primary-care-council/

Hospital General Beds by State per 10,000 Population, 2020



Source: *https://nmcdc.maps.arcgis.com/home/webmap/viewer.html?webmap=dc5a4b4a10f5458c8cccd1160c55710a*

HUMAN SERVICES DEPARTMENT

Investing for tomorrow, delivering today.

PROVIDER RATE INCREASES

- **HB2 FY24 Increases**
  - Raise Medicaid reimbursement rates to 120% of Medicare or equivalent for:
    - Primary Care
    - Maternal Health Services
    - Behavioral Health Services
  - Other service codes were raised up to 100% of Medicare or equivalent.
- **MCO Oversight and Compliance**
  - MCOs directed to treat the **Medicaid-published fee schedule as the floor** and cannot pay providers below the published rate.
  - No reduction allowed for providers who already have negotiated rates above the published fee schedule.
  - MCOs will be directed to **adjust claims** so that providers will not have to resubmit.
  - HSD will **monitor the MCOs' implementation** through biweekly status updates and reporting.

Federal Fiscal Year 2024

Services	State Share ($000s)	FFP ($000s)	Total ($000s)
Maternal Health	$7,163	$19,333	$26,496
Primary Care	$38,539	$104,014	$142,553
Behavioral Health	$11,020	$29,744	$40,765
All other Codes	$22,562	$60,893	$83,456
TOTAL	$79,285	$213,985	$293,271

HOSPITAL & FACILITY RATE INCREASES

- HB2 Rate Increases
  - $23,595,200 GF for facilities:
    - **Hospitals**
    - **Rural hospitals**
    - **Nursing facilities**
  - Up to 100% of Medicare
  - Directs HSD to prioritize rate increases for **rural hospitals with allocations implemented through managed care directed payments and upper payment limit payments to sustain the economic viability of rural hospitals**.
  - Part of the rate increase for nursing facilities to be tied to **value-based purchasing**.
  - Published rates to be set as the floor; effective 7/1; claims will be automatically reprocessed.

Additional targeted dollars from HB2

- $1m for rural Hospitals
- $1m for rural tribal/CAH
- $2m for FQHC's and rural PCP

Facility Type	State Share ($000s)	FFP ($000s)	Total ($000s)
All Facilities	$23,595	$63,683	$87,278

HAP/TAP PAYMENTS

Federal changes:

- ACA led to CMS phasing out supplemental payments tied to uncompensated care
- Rules now require supplemental payments be tied to Medicaid utilization and quality measures.
- ***Resulted in a funding gap for low-volume hospitals***

New Mexico Changes:

- Federal authority for the Safety Net Care Pool (SNCP) Hospital Uncompensated Care (UC) program model ended on December 31, 2019, requiring a transition of the program.
- In 2020, dollars previously allocated to the Safety Net Care Pool (SNCP) Hospital Uncompensated Care (UC), HSD established:
  - Hospital Access Payment (HAP) - A Directed Payment program based on inpatient and outpatient discharges
  - Target Access Payment (TAP) - A payment program based on remaining Upper Payment Limit (UPL) room based on prior year UPL

SB245 – RURAL EMERGENCY HOSPITAL LICENSURE

- New Hospital Classification from CMS, effective 1/1/2023
- State Statute directed DOH to promulgate rules to establish Rural Emergency Hospital Licensing
- Medicaid pursuing SPA (State Plan Amendment) approval for this additional facility type with effective date of 9/1
- Currently 1 New Mexico hospital pursuing this designation

What services do REHs provide?

When an eligible facility converts to an REH, it's allowed to provide:

- Emergency department services
- Observation care and
- Additional outpatient medical and health services if elected by the REH, that do not exceed an annual per patient average length of stay of 24 hours

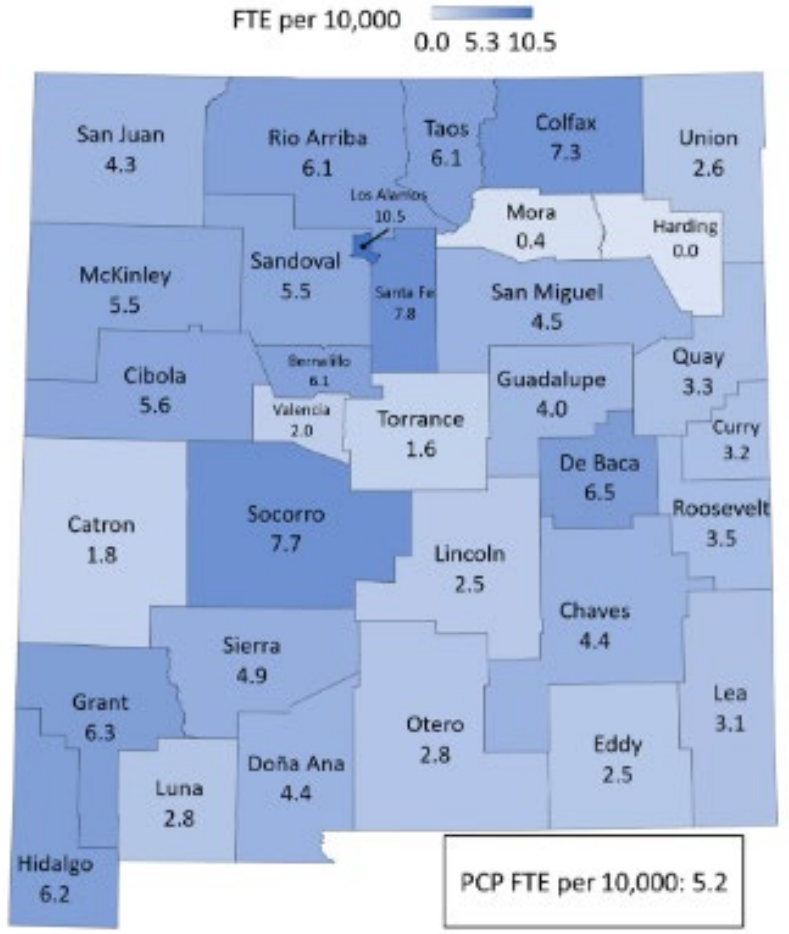
REHs are ***prohibited from providing inpatient services***, except those furnished in a distinct part licensed as a skilled nursing facility to furnish post-hospital extended care services.

PROVIDER EXPANSION

Medicaid is expanding the list of providers who can be reimbursed with Medicaid dollars:

Provider Type	Implementation date
Community Health Workers/Community Health Representatives & Promotoras	July 1, 2023
Chiropractors	January 1, 2024 (proposed)
Doulas and Birth Workers	July 1, 2024 (proposed)
Acupuncturists	July 1, 2024 (proposed)

New Mexico Primary Care provider count per 10,000 CY2020



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MEDICAID PRIMARY CARE PAYMENT REFORM FRAMEWORK

Tier 3: Capitation w/ Shared Savings

HCP-LAN Category 4-B + 3-B

- Fully functional capitation arrangement, integrating more services & recognizing PCPs' impact on services not directly provided by them (e.g., bundled payments, shared savings)
- Quality metrics reinforce equity, quality, and outcomes
- Providers may have upside and downside risk
- May initially be best suited for integrated delivery systems

Tier 2: Collaborative Partnerships

HCP-LAN Category 4-B

- Providers are supported by partnership & met where they are
- Entry point into capitation; provider & MCOs establish what type of capitation makes sense for the provider (e.g., care management PMPM or direct service payment on a PMPM basis).
- May initially be best suited for medium-to-large providers with established relationships

Tier 1: Enhanced Reimbursement and Quality Rewards

HCP-LAN Category 2-C

- Two new funding sources: Enhanced fee-for-service tied to provision of services & incentive payments (e.g., for quality metrics, submitting data, continuation of current services)
- Allows immediate system-wide participation including:
  - Small-scale and rural providers, Indian Health Services, and other providers not ready for Tier 2 or 3

Detach payment from provision of services = increased flexibility

THE NEW MEDICAID PRIMARY CARE PAYMENT MODEL OFFERS AN OPPORTUNITY FOR ADDITIONAL INVESTMENT

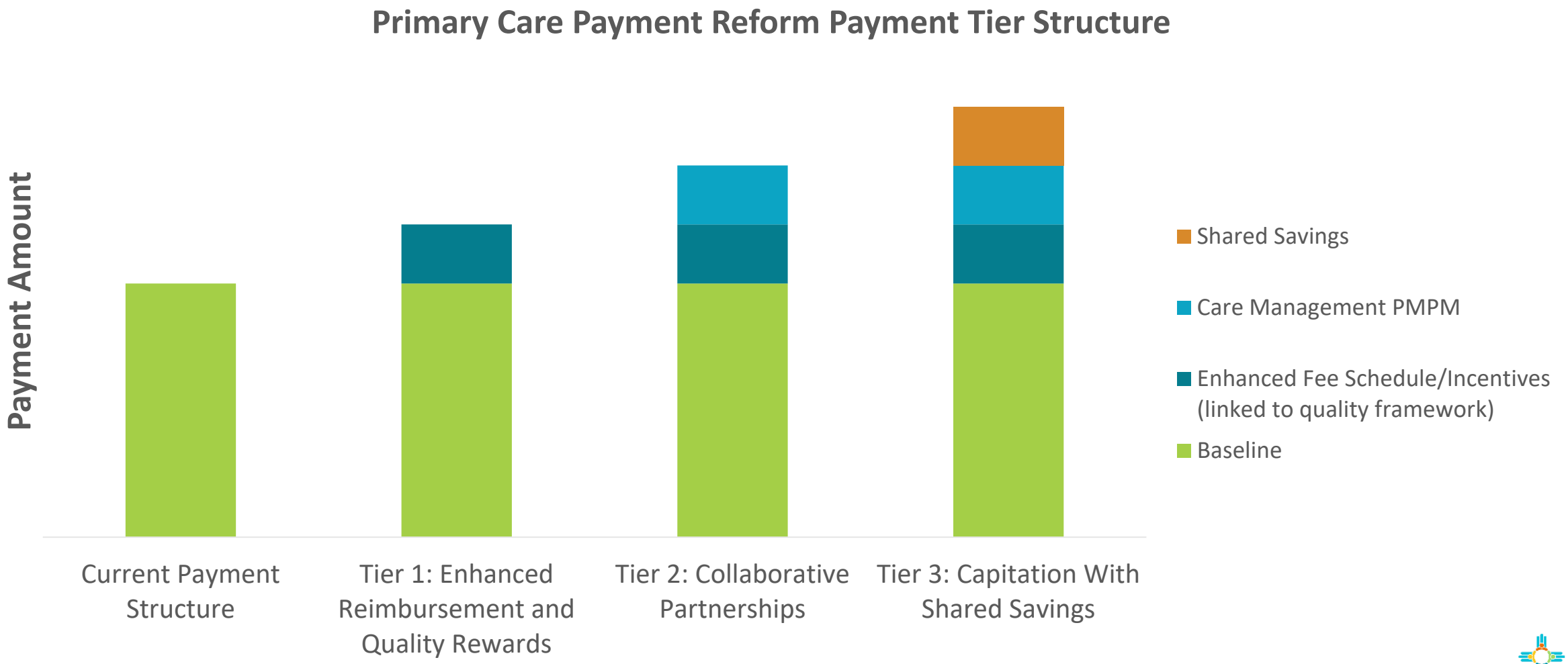
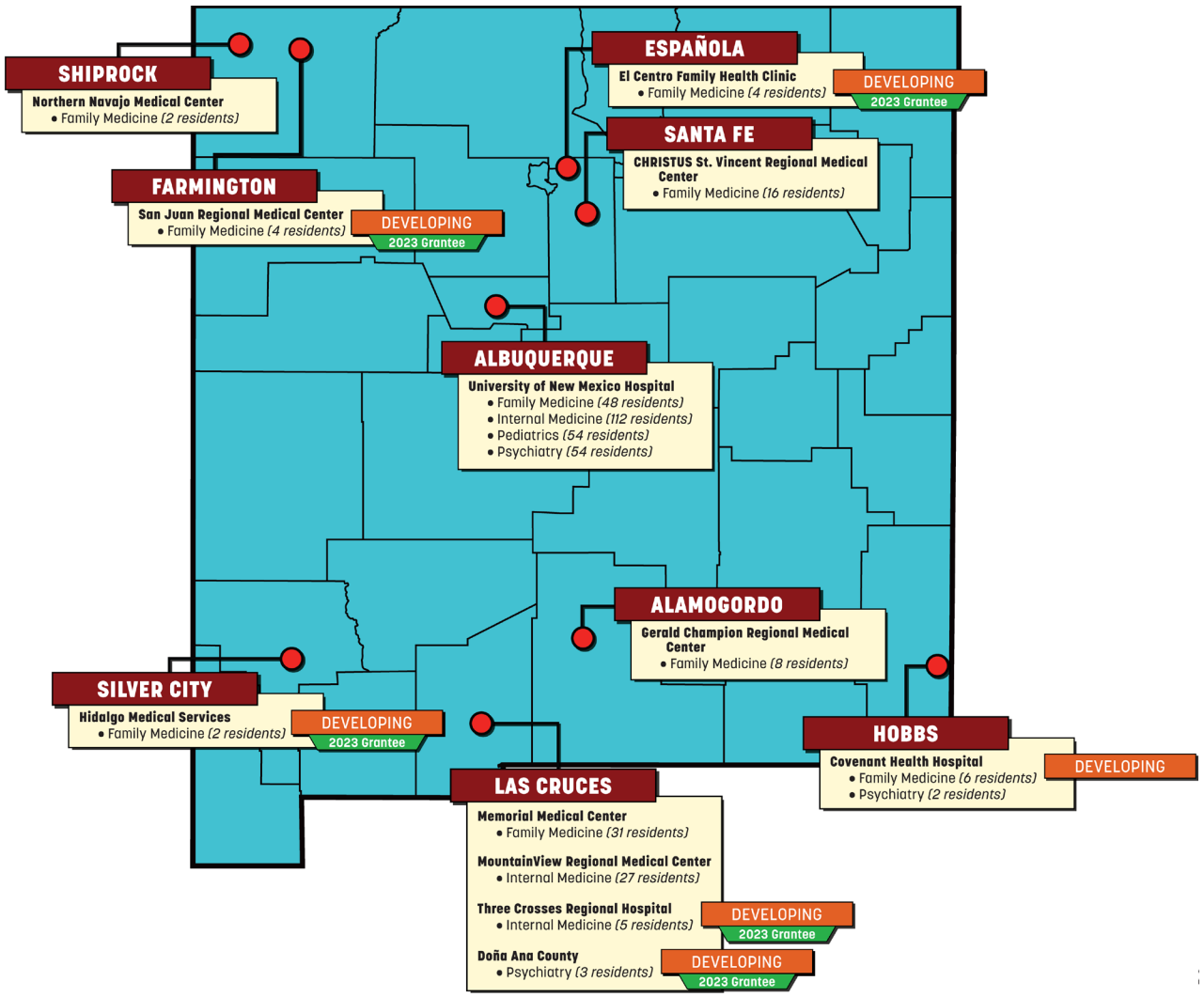


***Chart is for illustrative purposes only and does not indicate actual dollar amounts, percentages, or required/actual payment types.*

PRIMARY CARE & PSYCHIATRY RESIDENCY EXPANSION

- Over a 5-year period, starting in 2019, accredited primary care residencies expected to grow, from 8 to 16 (100% increase).
- Number of primary care residents in training will increase from 142 to 264 (86% increase) during this 5-year period.
- Number of graduates each year will grow from 48 to 82, a 71% increase.
- Residencies continue to be developed in counties with high numbers of Medicaid customers, including FQHC-led residencies.

Primary Care Residency Programs, 2023



IMPROVING ACCESS

Telehealth:

Expansion of Telemedicine during COVID-19 PHE was designed to minimize access impacts. New Mexico elected to retain those flexibilities and they remain in place.

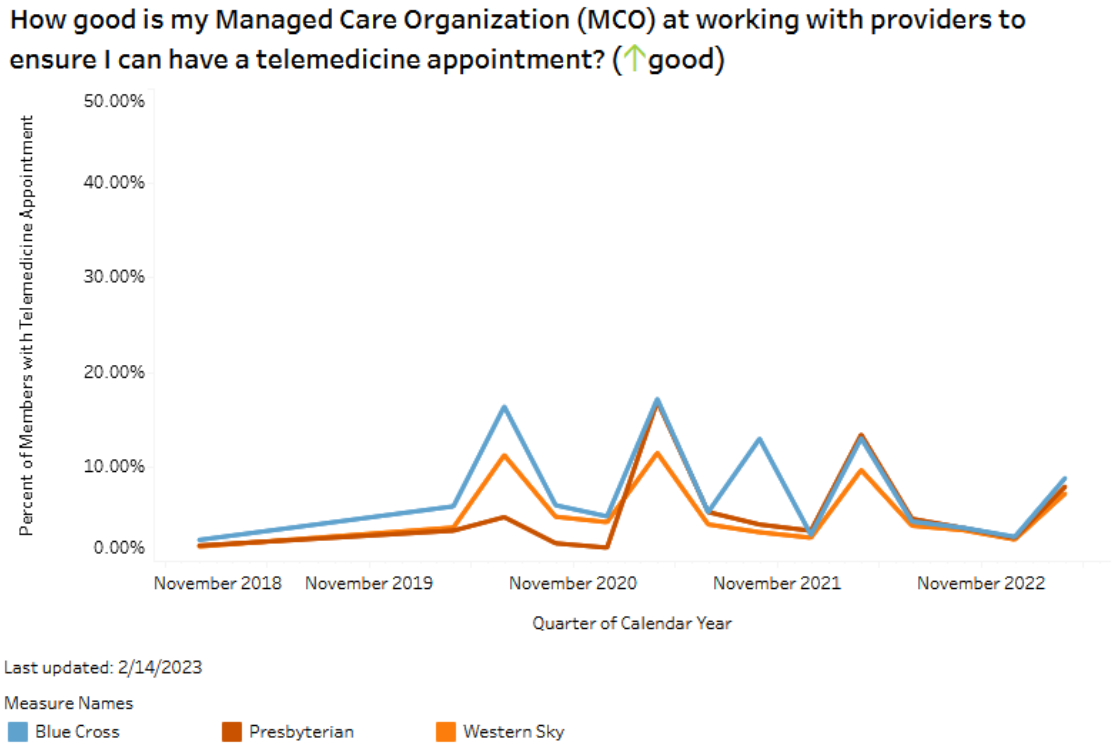
Transportation:

Increase of distance allowed for NEMT without prior authorization from 60-120 miles (NMAC, LOD).

SB485 – expands services to include companies like Uber and Lyft. Medicaid promulgating rules to allow utilization of these companies.

Single Credentialing:

Streamlining of provider credentialing and tightening of timelines for the process to ease the burden on providers and make Medicaid enrollment more accessible.



https://sites.google.com/view/nmhsdscorecard/goal-1/access-to-care-medicaid-and-snap

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QUESTIONS & COMMENTS

INVESTING FOR TOMORROW, DELIVERING TODAY.