

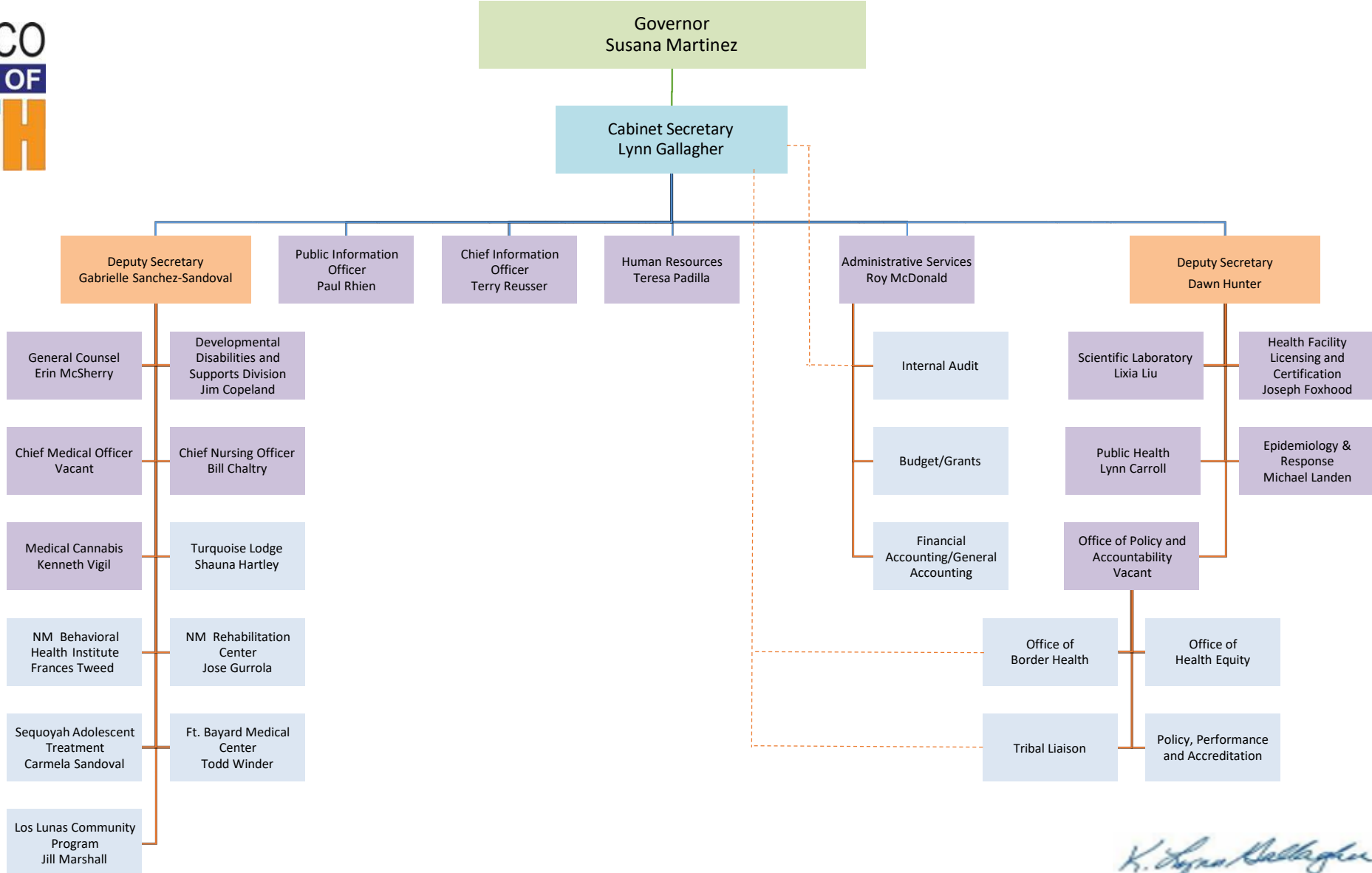


LEGISLATIVE FINANCE COMMITTEE HEARING

DECEMBER 6, 2017

LYNN GALLAGHER, CABINET SECRETARY





Lynn Gallagher
 Lynn Gallagher, Cabinet Secretary
 August 2017



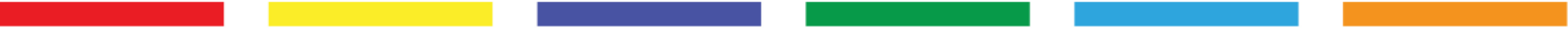
FY19 Appropriation Request

Department of Health Roll-Up

(Dollars in Thousands)

	FY17 Actuals (un-audited)	FY18 Operating Budget	FY19 Appropriation Request
Revenue			
General Fund	288,358.8	283,269.5	288,161.9
Other Transfers	32,454.3	32,841.3	35,971.7
Federal Funds	95,885.0	106,796.1	106,486.9
Other State Funds	115,241.0	111,461.6	109,493.0
Fund Balance	4,692.5	0.0	0.0
Total	536,631.6	534,368.5	540,113.5

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Supplemental/Special Appropriation Request

DEPARTMENT OF HEALTH

FY18 SUPPLEMENTAL, FY18/FY19 SPECIAL APPROPRIATION, FY19 BASE INCREASE OR FY19 EXPANSION REQUESTS

P-Code	Program Area	Purpose	FY18 Supplemental (SU)		FY18-FY19 Special (SP)	
			GF	Other	GF	Other
P001	Administration	To cover IT positions. Funding was moved to ASD from other Division in the FY17 request and removed during 2016 session	750.0			
P003	Epidemiology & Response	Vital Records PS&EB	450.0			
P003	Epidemiology & Response	TSFA Funding	300.0			
P003	Epidemiology & Response	Vital Records - Infrastructure Needs	250.0			
P004	Laboratory Services (SLD)	DWI Toxicology Testing	100.0			
P007	Developmental Disabilities Support	DDW Projected Shortfall	1500.0			
P008	Health Certification, Licensing & Oversight (DHI)	Internal Quality Review Unit (IQR) (Jackson Disengagement Requirement)	538.7			
P008	Health Certification, Licensing & Oversight (DHI)	FELIX System Replacement - (This database is DHI's link between databases of licensed facilities and non-licensed facilities. While CMS has the ASPEN system for all licensed facilities, there is no link for staff from ASPEN to non-licensed facilities. The database is used to print healthcare facility licenses, track non-licensed facilities, and run the Provider Search function which is mandated by CMS.)			250.0	
P008	Health Certification, Licensing & Oversight (DHI)	Incident Management Bureau (IMB) Software Application Replacement (Due to current limitations, IMB in unable to accurately identify trends and provide information about abuse, neglect and exploitation (ANE) regarding the State's most at-risk population to providers and stakeholders, including patterns and identified causes and contributing factors of ANE.)			12.5	112.5
Total			4,263.7	0.0	262.5	112.5
				4,263.7		375.0

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4,638.7



FY19 Appropriation Request

Administrative Services Division (Dollars in Thousands)

	FY17 Actuals (un-audited)	FY18 Operating Budget	FY19 Appropriation Request
Revenue			
General Fund	7,221.1	5,238.1	5,988.1
Other Transfers	824.2	757.5	1,347.7
Federal Funds	7,298.2	7,635.3	7,307.6
Other State Funds	14.1	0.0	0.0
Fund Balance	0.0	0.0	0.0
Total	15,357.6	13,630.9	14,643.4

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FY19 Appropriation Request

Public Health Division (Dollars in Thousands)

	FY17 Actuals (un-audited)	FY18 Operating Budget	FY19 Appropriation Request
<u>Revenue</u>			
General Fund	49,641.0	49,846.5	49,846.5
Other Transfers	14,410.2	16,839.5	17,636.6
Federal Funds	57,923.8	72,078.1	69,121.6
Other State Funds	38,344.6	42,567.0	41,204.0
Fund Balance	3,071.7	0.0	
Total	163,391.3	181,331.1	177,808.7

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Public Health Division



Key Accomplishments

- Family Planning
 - 2016 cost savings of \$21,016,010 for all women, \$5,136,750 for teens ages 15-19
- Tobacco Cessation
 - 43% reduction in youth cigarette smoking and 21% reduction in adult smoking since 2011
- Child Obesity
 - Leveraged over \$2,434,819 (includes monetary value of 26,316 volunteer hours)
- Diabetes Prevention & Control
 - 235 health professionals trained on prevention & control

Major Initiative

- Eliminate the threat of Hepatitis C by 2030
 - Increase testing and prevention efforts; expand treatment



FY19 Appropriation Request

Epidemiology and Response Division (Dollars in Thousands)

	FY17 Actuals (un-audited)	FY18 Operating Budget	FY19 Appropriation Request
Revenue			
General Fund	12,784.7	12,002.7	12,702.7
Other Transfers	854.3	766.2	596.2
Federal Funds	14,798.6	15,012.1	17,191.6
Other State Funds	824.3	407.7	612.3
Fund Balance	719.7	0.0	0.0
Total	29,981.6	28,188.7	31,102.8



Epidemiology and Response



■ Key Accomplishments

- Stroke Centers
- New Mexico State ranking for the drug overdose death rate dropped from 8th to 15th in 2016 (Preliminary national data)

■ Major Initiatives

- Drug Overdose Death Prevention
- Improve antimicrobial stewardship
- Implement near real time tracking of overdose and suicide attempts through emergency department syndromic surveillance

FY19 Appropriation Request

Scientific Laboratory Division (Dollars in Thousands)



	FY17 Actuals (un-audited)	FY18 Operating Budget	FY19 Appropriation Request
Revenue			
General Fund	7,075.0	7,599.6	7,599.6
Other Transfers	1,120.6	1,251.1	1,248.0
Federal Funds	3,057.8	2,646.0	2,846.5
Other State Funds	1,380.6	1,407.5	1,448.6
Fund Balance	0.0	0.0	0.0
Total	12,634.0	12,904.2	13,142.7

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Scientific Laboratory



■ Key Accomplishments

- Provided DWI testing and expert witness
- Became one of three EPA approved public health laboratories to test for unregulated contaminants in drinking water
- Detected zika, plague, tularemia, rabies and flu causing pathogens

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■ Major Initiatives

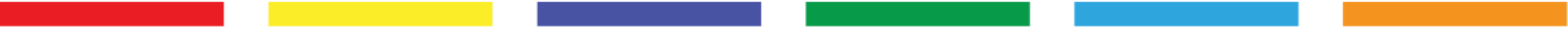
- Expanding staff cross-training
- Establishing testing capability for key components in related to medical cannabis materials
- Building testing capability to detect multidrug resistant bacteria



FY19 Appropriation Request

Developmental Disabilities Supports Division (Dollars in Thousands)

	FY17 Actuals (un-audited)	FY18 Operating Budget	FY19 Appropriation Request
Revenue			
General Fund	147,407.7	146,264.2	148,428.3
Other Transfers	9,950.2	8,760.4	9,045.0
Federal Funds	2,848.2	2,819.2	2,819.2
Other State Funds	1,224.2	1,600.0	1,385.0
Fund Balance	901.1	0.0	0.0
Total	162,331.4	159,443.8	161,677.5



Developmental Disabilities Supports

Major Initiatives



- **Community Based Services:** Provides services to approximately 20,000 children and adults with developmental risks, delays, and individuals with Intellectual/Developmental Disabilities (I/DD), and their families.
- **Services Provided:**
 - ✓ Three (3) Medicaid Waivers: DD Waiver, Medically Fragile Waiver and Mi Via (self-directed) Waiver
 - ✓ The Family Infant Toddler (FIT) Program – Federal entitlement program
 - ✓ Five (5) specialized State General Fund (SGF) programs, including Children and Adult Respite Care, Behavioral Crisis Supports and support for Autism programs at the UNM Center for Development and Disability
- **Statewide Access:** DDSD operates seven regional offices statewide and delivers direct services, in every county, through more than 300 provider agreements and contracts.

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Developmental Disabilities Supports

Major Initiatives



DDSD assists Persons with I/DD and children with Special Needs to:

- **Control their lives** – The *Mi Via Self Directed Waiver* meets people’s needs: “I like the fact that they let me live my life. No [Mi Via] plan is alike, they are all customized to meet individualized needs.” – Mi Via Participant
- **Connect with their communities** – The “*Know Your Rights Campaign*” launched a collaborative effort with diverse stakeholder involvement to increase person-centered planning, improve knowledge of participant rights, reduce time in congregate/segregated service settings and increase inclusion and engagement in typical community life. This was the result of a new Centers for Medicare and Medicaid (CMS) requirement that must be fully implemented by March 2022.
- **Find meaningful work** – Through *Partners for Employment* DDSD, UNM and the Division of Vocational Rehabilitation jointly support a Center of Excellence providing resources and training for people with I/DD, providers and employers.
- **Jump-start healthy development** – The *FIT Program* has used resources from the Race To the Top federal grant to develop tools and materials to increase quality in services, conduct a new rate study and expand a statewide video technology project.



Developmental Disabilities Supports

Litigation Update



■ Jackson:

- DDSD and DHI staff have proposed a plan to prioritize disengagement efforts.
- Six Evaluative Components (ECs) in the area of Safety have been disengaged. Two additional ECs in Safety and one in Health have been submitted to the Jackson Compliance Administrator for disengagement determination.
- There are five additional motions currently being drafted by Counsel for submission for disengagement.

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■ Waldrop:

- The litigation has been formally dismissed.
- DDSD will continue to contract with the UNM Continuum of Care to conduct clinical reviews through the Outside Review process.
- Discussions are underway to reduce the frequency of clinical review. This reduction should lower Administrative costs and relieve some administrative burden on Case Managers and teams.



FY19 Appropriation Request

Division of Health Improvement (Dollars in Thousands)

(Health Certification, Licensing & Oversight)

	FY17 Actuals (un-audited)	FY18 Operating Budget	FY19 Appropriation Request
Revenue			
General Fund	4,178.6	4,192.6	5,470.9
Other Transfers	4,188.8	3,348.4	4,916.2
Federal Funds	2,336.8	2,613.0	2,397.0
Other State Funds	1,811.5	1,893.5	1,917.3
Fund Balance	0.0	0.0	0.0
Total	12,515.7	12,047.5	14,701.4



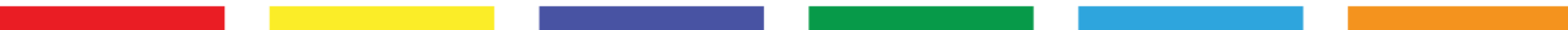
Division of Health Improvement

Accomplishments



- **Crisis Triage Centers:** The proposed Rule has been finalized and is ready for hearings to be set.
- **Jackson Disengagement:** An internal ‘Individual Quality Review’ system is being fine tuned and DHI staff are being trained in its use.
- **Assisted Living Facilities:** Rules are being revised for clarification and guidance.
- **No Wrong Door:** Improved complaint referral processes for complaints not within DHI’s jurisdiction. Continued use of Joint Protocol, and combined efforts of Licensing and Community Programs Bureaus and DDSB for items of mutual importance.
- **Strategic Planning and Performance Improvement:** DHI is continuing to review our internal processes and to develop measures that can be used for continuous improvement efforts.

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Division of Health Improvement

Budget Requests

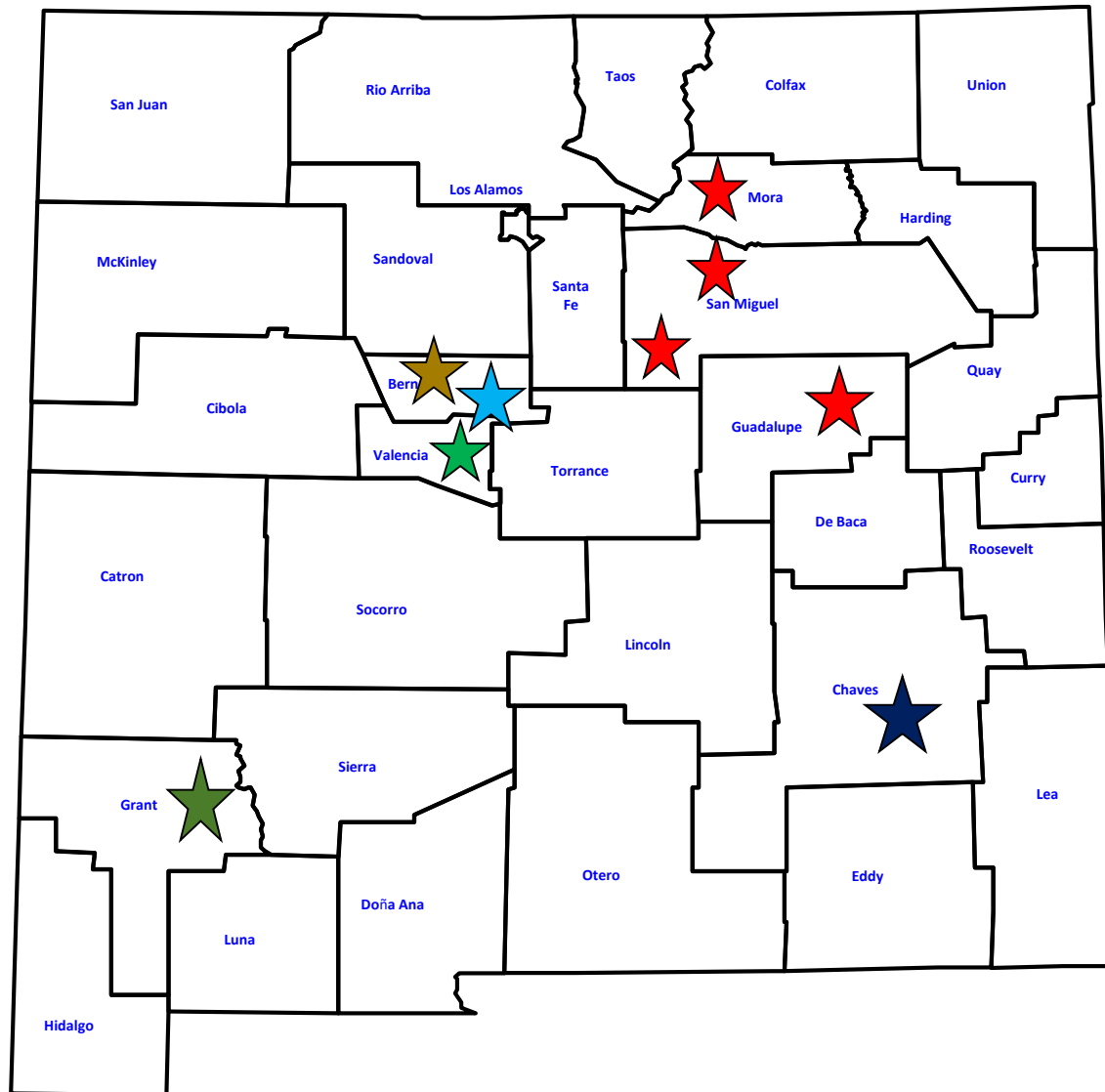


- **Staffing for Internal Quality Review section** - Jackson disengagement requirement; formerly funded through special appropriation to DDSD
- **FELIX Application Replacement (Licensing) (10% GF, 90% Federal)**
- **Incident Management Bureau Application Replacement (10% GF, 90% Federal)**
- **Staff Augmentation to meet statutorily, federally and court-mandated requirements**

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New Mexico Health Facilities



Turquoise Lodge Hospital
NM Behavioral Health Institute
NM Rehabilitation Center
Sequoyah Adolescent Treatment Center
Fort Bayard Medical Center
Los Lunas Community Program



FY19 Appropriation Request

Facilities Management Division (Dollars in Thousands)

	FY17 Actuals (un-audited)	FY18 Operating Budget	FY19 Appropriation Request	
<u>Revenue</u>				
General Fund	60,050.7	58,125.8	58,125.8	20
Other Transfers	1,106.0	1,118.2	1,182.0	
Federal Funds	7,621.6	3,992.4	4,803.4	
Other State Funds	68,642.8	60,835.9	59,818.9	
Fund Balance	0.0	0.0	0.0	
Total	137,421.1	124,072.3	123,930.1	



Facilities Management Division

Major Initiatives

- **Pharmacy RFP**

There will be up front costs for implementing a new system, however a single comprehensive system would be able to offer features such as electronic pre-authorization of formulary, reconciliation and inventory processes to all facilities. These features can assist in reducing revenue loss caused by their lack in current application systems, and increase patient safety through the reliability an electronic system provides. Reduction of contract pharmacy staff by the ability to share pharmacists across the facilities and a reduction in manual processes currently required.

- **SSI Billing RFP**

Lack of contract is preventing New Mexico facilities from negotiating a better deal on processing claims. Current billing clearing house does not have the ability to provide real time Revenue Cycle Management or Productivity Analytics. We are unable to detect lost claims, blocked cash-flow or unattended claims resulted in delays or loss of payments. This can impact the recovery of funds for claims in our facilities.

- **Electronic Health Record (EHR) RFP – Joint Project with the Public Health Division**

An EHR is a digitized version of a patient's health information that supports consistent treatment pathways and records patient demographics and pertinent health information. At present, there is not one fully- integrated EHR in use and they vary in age from a few years to more than ten years old, which from a technology standpoint makes them antiquated at best and nearly obsolete at worst. Implementation costs for an updated system will be required, however a single system would be able to offer increased automation and better meet healthcare needs.

- **Payroll Based Journal (PBJ)**

A CMS requirement to log hours of staff providing direct care to patients is currently a manual, time consuming process for the three long term care facilities. Implementing new codes and check in/out using the time clocks will allow for the report to be generated automatically for CMS. This will meet CMS requirements and eliminate current manual process.

- **Focused Nursing Recruitment**

Nursing shortages are a challenge in facilities so DOH's Chief Nursing Officer is working to increase recruitment efforts and to identify targeted nursing recruitment initiatives.



Medical Cannabis Program

- 44,000 patients
- Average processing time: 20 days
- 67 dispensaries
- New hires: customer service supervisor & environmental scientist

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Thank you!

