

# New Mexico's Primary Care Clinics Status Update and Policy Issues

**Prepared for the Legislative Finance Committee**

By David Roddy, Health Policy Director / CFO

New Mexico Primary Care Association August 10, 2022

Eileen Goode, B.S.N, Chief Executive Officer



New Mexico  
**PRIMARY CARE**  
ASSOCIATION

# New Mexico's Primary Care Safety Net

Over the past 50 years with the help of

- ▶ Federal
- ▶ State
- ▶ Local
- ▶ and Community Support

New Mexico has built one of the nations finest primary care safety nets in the nation.

# In 2021 Primary Care Clinics Served 1 in 6 New Mexicans

- ▶ 65,094 Uninsured (over 1 in 4 of NM's Uninsured)
- ▶ 150,820 Medicaid
- ▶ 58,175 Medicare
- ▶ 83,165 Private Insurance
- ▶ 357,254 Total Patients

# In 2021 Primary Care Clinics Provided 1.6 million Visits

• 357,254 total patients	• Medical Visits	966,669
• 22,790 migrant/seasonal farmworkers	• Dental Visits	221,564
• 14,562 homeless patients	• Mental Health Visits & Substance Abuse Visits	483,114
• 15,444 school-based patients	• Health Ed./Case Mgmt.	76,836
• 7,531 veteran patients	• Vision & Other Visits	12,675
• 2,599 prenatal care patients		
<b>Total Visits</b>		<b>1,760,858</b>

# Capacity and Workforce – 3,600 FTEs – \$250 Million Payroll

▶ Physicians	131
▶ Nurse Practitioners	173
▶ Physicians Assistants	<u>49</u>
▶ Total Medical Clinicians	351

# Capacity and Workforce – 3,600 FTEs – \$360 Million Total Budget

▶ Dentists and Hygienists	186
▶ Pyschiatrists and Psychologists	23
▶ Licensed Counselors	<u>260</u>
Total Med/Dental/BH Clinicians	820

# Primary Care Clinics Serve New Mexico's Most Vulnerable

## 2021 Patient Poverty Status

- ▶ 59% Below 100 % Federal Poverty
- ▶ 75% Below 150 % Federal Poverty
- ▶ 84% Below 200 % Federal Poverty

**The Clinics Serve 50% of all New Mexicans living below 100% of the FPL**

# 77 % of the Clinic sites are in Rural or Frontier Areas

▶ Number of Sites Delivering	
▶ Medical Services	101
▶ Dental Services	50
▶ Behavioral Health Services	86
▶ School-based Health Clinics	36

Note: 162 Physical Locations – some Dental & Beh. Health services are co-located with Medical





# Services to the Uninsured 2021 FQHCs Only

▶ Total Charges*		\$59,509,449
▶ Sliding Fee Discounts and Write-offs (65 %)		\$38,701,852
▶ Additional Pharmacy Discounts		
◦ 340B	10 Million	
◦ Manufacturers Indigent	6.2 Million	\$16,200,000
<b>Total Discounts to Uninsured</b>		<b>\$54,901,852</b>

\*Note: FQHCs provided \$116,090,819 in uncompensated care to all patients. The Charge to Cost Ratio was 1:1. The patients were charged \$1.00 for each dollar spent on providing services. Clinics provided \$39.4 million in unreimbursed enabling services.

# New Mexico's Primary Care Clinics Are Focused on Quality & Improved Outcomes

- ▶ For 45 Years Federal Funders (DHEW now DHHS–HRSA) have required that FQHCS monitor and report on quality and strive to improve health status
- ▶ Today clinics work with HRSA, DOH, HSD, UNM, the CDC, MCOs and others to monitor dozens of critical health indicators and outcome measures

# FQHCs Monitor Key Quality Indicators and Provide Intervention & Treatment

HRSA, DOH, and the Clinics recognize that preventive services, and treatment and control of chronic diseases are critical for the low-income & vulnerable.

- ▶ Behavioral Health and substance abuse screenings and Intervention (SBIRT)
- ▶ Obesity Screening and Treatment
- ▶ Tobacco Use Screening and Cessation
- ▶ Cancer Screening and referral
- ▶ Hypertension and Diabetes treatment and Control

# Clinics are Quality Leaders

- Patient Centered Medical Homes
  - 15 of 16 FQHCs have Achieved Certification
- Care Coordination
  - FQHCs have been leaders in the training and utilization of Community Health Workers, Case Managers and Care Coordinators
- Data aggregation, report development and analysis, and interventions are used to benchmark and improve outcomes

# The Pandemic has provided opportunities and challenges for FQHCs

- ▶ With Federal Assistance and DOH support and coordination, FQHCs have performed hundreds of thousands of tests.
- ▶ Clinics continue to provide free self tests and care to patients.
- ▶ This has been particularly critical in rural areas, where patients, non-patients, local governments, and school district personnel have received screening.

# State support for FQHCs and other Providers

- ▶ The NM Superintendent of Insurance immediately issued a directive to Commercial Insurers and MCOs ordering them to reimburse all virtual visits at the in-person rate.
- ▶ The New Mexico Medical Assistance Division issued first in the nation, comprehensive telehealth and virtual visit regulations, ensuring that providers would not see per-visit reimbursement decreases at a time when productivity was diminishing dramatically.

# Federal Support for Federally Qualified Health Centers (FQHCs)

- ▶ Federal Testing Grants and Covid Relief provided \$23 million in 2021 to NM FQHCs, a 30% supplement over base funding to pay for Pandemic-related services and maintain and/or expand staffing capacity.
- ▶ Medicare, with significant input from the NM Congressional delegation, has insured that telephonic and virtual visits are reimbursed at clinic rates, and has thus far maintained that policy.

# Federal And State Assistance has been Key in Insuring FQHC Stability

## **Additional Federal Funding has helped FQHCs:**

- ▶ Offset revenue losses from early pandemic declines in productivity.
- ▶ Develop facility infrastructure to promote social distancing.
- ▶ Provide supplies and Personal Protective Equipment (PPE) to protect staff and patients.
- ▶ Upgrade technology and training which helped FQHCs deliver 460,000 virtual visits in 2021 versus 15,500 in 2019.



# Federal And State Assistance has been Key in Insuring FQHC Stability

## **Additional Federal Funding has helped FQHCs:**

- ▶ Support the significant non-revenue producing activities including testing, outreach, and patient contacts.
- ▶ Maintain critical medical, dental, and behavioral health clinician and support staff, despite inflationary pressure caused by workforce shortages.

# 2022 Legislative support for FQHCs and other Providers

- ▶ The 2022 Legislature appropriated \$1 million in non-recurring funds to provide one-time retroactive payments to FQHCs of between \$4 and \$5 million utilizing Federal Matching funds. (Projected Fall 2022)
- ▶ House Bill 2 also included \$11 million for Medicaid provider rate increases, also to be matched with federal funds.
- ▶ NMPCA is meeting with HSD to request that FQHCs receive modest additional rate increases from these funds.

# Challenges for Primary Care Clinics 2022 and Going Forward

## Number 1 – Workforce Retention, Recruitment, and Training

- ▶ While FQHCs have not been impacted as severely as hospitals, clinician and support staff costs are rising significantly, not only due to competition in the healthcare sector, but also in the general workforce.
- ▶ In an HSD Listening Session to gain input on potential Medicaid-funded primary care initiatives , one FQHC CEO stated, *“I never thought we would be competing with Carl’s Jr. to hire and retain support staff.”*
- ▶ FQHC stakeholders also decried the lack of trained Community Health Workers, Case Managers, and SBIRT (BH/Substance Abuse Screeners), available for recruitment in the workforce. They recommended HSD explore developing training consortiums with higher ed institutions and FQHCs. These positions are critical to improving health outcomes and curbing costs.

## Challenge Number 2 – Wage and General Inflation

- ▶ It is no secret that the cost of nearly everything has gone up since the onset of the Pandemic. There have been dramatic increases at the supermarket and highly-staffed businesses like restaurants as a result of wage pressures and supply shortages. Outpatient clinics expend 70% on wages.
- ▶ Health insurers and MCOs, which largely determine healthcare costs, have been reluctant to increase provider rates. They would have to pass those costs on to the insured, which would be another blow to already-stressed consumers and employers.
- ▶ All healthcare providers (including FQHCs) face the daunting and potentially de-stabilizing challenge of absorbing both labor and supply cost increases, if rates do not increase proportionally.

## Challenge Number 3 – Loss of Existing Revenues and patients

- ▶ The Medicaid Enhancements, implemented during the Public Health Emergency, have been beneficial for patients, the State, and providers. FQHCs, in particular, have benefitted because of our patient income mix. The end of the emergency will likely result in many FQHC patients losing their Medicaid.
- ▶ Federal support has increased significantly during the pandemic, but there are no guarantees all of it will be maintained post-pandemic.

# Summary

Although Many Challenges remain New Mexico's Primary Care Clinics:

- ▶ Are providing more services in more low-income and rural communities than ever.
- ▶ Are providing better quality care and utilizing care management tools and technology to make it even better.
- ▶ Have dramatically increased Behavioral Health capacity and are utilizing telehealth to provide nearly a half a million visits annually to patients in their homes.

# Summary

- ▶ Have bi-partisan support for primary care at the federal, state, (Thanks to the Legislature and Governor!!), and the local level.
- ▶ Are benefiting from the recognition that primary care and the effective use of care coordination and case management have the greatest potential to solve our health care crisis.
- ▶ Enjoy cooperation, coordination, collaboration and support at many levels, e.g. HRSA, the MCOs, and especially HSD and DOH.