

Health and Health Coverage 101

LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE
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LEGISLATIVE COUNCIL SERVICE



Medicaid is NOT MediCARE

Medicare is 100% administered through the federal Centers for Medicare and Medical Services (CMS). It is paid for by lifetime payroll deductions (FICA), premiums, coinsurance and through congressional appropriations.

- Part A: hospitalization;
- Part B: health care outpatient and other; and
- Part D: prescription drugs

Medicare is for individuals who:

- are 65 years of age or older and eligible for social security or Railroad Retirement Board benefits;
- have received social security disability income for 2+ years;
- are living with end-stage renal disease; or
- have amyotrophic lateral sclerosis ("Lou Gehrig's disease" or ALS).

Medicare "Fee for Service": may be supplemented through a Medicare Supplement aka Medigap policy.
Medicare Advantage – HMO coverage, may include prescription drug, dental or vision coverage.

MEDICAID

Titles 19 and 21 of the Federal Social Security Act

- **\$933.6 million budget for state fiscal year (SFY) 19, covering in March 2018: 854,235 individuals (approximately 41% of NM).**
- A federal/state hybrid program: the federal government pays roughly 70%; state 30%.
- Administered by the Human Services Department (HSD).
- Mostly provided through a 1115 demonstration project waiver called "Centennial Care".
- Provides physical health care, behavioral health care, long-term care and disabilities supports and services.
- Eligibility for programs varies greatly.
- Some coverage programs are comprehensive. Some, such as Family Planning Medicaid, are quite limited.
- In 2016, over 77.7% of births in New Mexico were paid for by Medicaid.

Medicaid (cont.)

Early & Periodic Screening Diagnosis/Treatment Program (EPSDT) Health Screens

- For all Medicaid recipients under 21 years of age.
- States must provide screening, diagnosis and treatment of Medicaid-covered conditions.
- **Screening Services:** comprehensive health and developmental history; physical exam; immunizations; laboratory tests, including lead toxicity screening.
- **Diagnostic Services:** when a screening examination indicates the need for further evaluation of an individual's health, with necessary referrals.
- **Health Education:** on child development, healthy lifestyles and accident and disease prevention.
- **Vision Services:** diagnosis and treatment for defects in vision, including eyeglasses.
- **Dental Services:** pain and infection relief; restoration of teeth; maintenance of dental health.
- **Hearing Services:** diagnosis and treatment for defects in hearing, including hearing aids.
- **Treatment** of conditions that EPSDT discovers, regardless of whether the service is covered in a state's Medicaid plan.
- **Schedule:** must be provided at intervals that meet reasonable standards of medical practice.
- Developmental and behavioral screening.

Medicaid (cont.)

Medicaid Waivers

Waiver of federal Social Security Act requirements for state Medicaid:

- ❑ Research and Demonstration Project Waiver ("1115 waiver"), such as the Centennial Care Waiver;
- ❑ to use managed care in providing Medicaid services ("1915(b) waiver"); or
- ❑ to provide services in different settings, such as in homes and communities rather than institutions ("1915(c)").

List not exhaustive of all of the types of federal waivers under federal law.

New Mexico uses a combination of all three types of these waivers.

Medicaid Long-Term Care Services

- Higher eligibility threshold:
 - For income: Currently, if single, no higher than \$2,205 per month (\$3,000/month limit if both spouses need care). Medicaid trusts available.
 - For resources: No more than \$2,000, plus irrevocable life insurance or burial.
- Nursing Facility or “Institutional Care”.
- Home- and Community-Based Care provided through Medicaid Waiver programs, for both licensed and unlicensed care.
- Hospice Care.
- (in Albuquerque only): Licensed and unlicensed day care services through the Program of All-Inclusive Care for the Elderly program or “PACE”.

Medicaid Long-Term Care Services — Centennial Care Community Benefit

(Approximately 48,407 individuals are enrolled in managed care long-term services)

- There may be a waiting list for services.
- Assistance with activities of daily living:
 - eating, bathing, dressing, toileting, transferring (walking), continence.
- Assistance with instrumental activities of daily living:
 - light housekeeping, laundry, cooking, shopping.
- Private-duty care.
- Nonmedical transportation.
- Respite care.

Medicaid Home- and Community-Based Waivers — Developmental Disabilities Supports and Services Waiver ("DD Waiver")

- ❑ 3,302 adults currently enrolled.
- ❑ Provides in-home or in-community supports and services for adults living with intellectual or developmental disabilities. These services and supports are provided separately from, but integrated with, health care services.
- ❑ Department of Health (DOH): programmatic administrator.
- ❑ HSD: fiscal administrator.

DD Waiver (cont.)

- Designed to allow individuals to live in "least-restrictive" environment possible.
- Emphasize "person-centered"-ness and informed choice.
- Physical therapy, occupational therapy and speech and language therapy.
- Employment training and assistance.
- In-home supports.
- Respite care.

Other Medicaid Home- and Community-Based Waivers (Both "1915(c)" Waivers)

- ❑ **Medically Fragile Waiver — joint DOH/HSD administration (171 enrolled)**
 - ❑ For adults with an intellectual or developmental disability who also require care for a complex chronic medical condition.
 - ❑ Provides case management, private duty nursing and other supports and services.

- ❑ **Mi Via Self-Directed Waiver — joint DOH/HSD administration (1,543 enrolled)**
 - ❑ For individuals requiring intellectual or developmental disabilities or medically fragile supports and services but self-directed versus agency-operated.
 - ❑ Recipients purchase services and supports within agreed budgetary amount.
 - ❑ Consultants help participants navigate throughout the Mi Via processes.

Medicare Savings Plans: Medical Assistance Programs for People with Low Incomes to Pay for Some Medicare Cost.

PROGRAM	ADMINISTERED BY:	INCOME	RESOURCES
<p><u>Qualified Medicare Beneficiary (QMB)</u> Pays Medicare premiums, plus cost sharing (copays, deductible, coinsurance).</p>	HSD	Individual: \$1,025/month Couple: \$1,373/month	\$7,390 \$11,090
<p><u>Specified Low-Income Medicare Beneficiary (SLMB)</u> Covers only Medicare Part B premiums.</p>	HSD	Individual: \$1,226/month Couple: \$1,644/month	\$7,390 \$11,090
<p><u>Qualified Individual (QI-1)</u> Covers Medicare Part B premiums. (Must be reauthorized by Congress periodically.)</p>	HSD	Individual: \$1,377/month Couple: \$1,847/month	\$7,390 \$11,090
<p><u>"Extra Help" or Low-Income Subsidy</u> Assistance with paying for prescription drugs covered under Medicare.</p>	Federal Social Security Administration and CMS	Automatically received for QMB/SLMB/QI-1 recipients. Individual: \$1,528/month Couple: \$2,050/month	\$12,320 \$24,600

State-Funded Health Care: Behavioral Health

State-funded behavioral health programs include Medicaid-funded behavioral health services (BHSs) and agency-funded BHSs, for which the Interagency Behavioral Health Purchasing Collaborative contracts with a single, statewide entity (statewide entity).

Statewide Entity: Falling Colors contract signed August 4, 2017 for administrative services organization, for \$54,713,794 in state fiscal year (SFY) 18.

Chaired by the secretary of human services; co-chair alternates between the secretary of health and the secretary of children, youth and families.

State Funded Health Care: Interagency Behavioral Health Purchasing Collaborative

- Secretary of Human Services (chair)
- Secretary of Health (co-chair, alternates annually)
- Secretary of Children, Youth and Families (co-chair, alternates annually)
- Secretary of Aging and Long-Term Services
- Local Collaboratives

FALLING COLORS: statewide administrative services organization

The only actively purchasing agencies are now the HSD and Children, Youth and Families Department and, in a very limited manner, the Aging and Long-Term Services Department.

Department of Health (DOH)

Public Health:

- Public health offices located statewide, offering services from family planning, Women, Infants and Children nutritional program (WIC), specialty children's medical services, disease-specific services to health promotion and immunizations.

Epidemiology:

- Tracking health conditions statewide.

Facilities Management:

- New Mexico Behavioral Health Institute at Las Vegas;
- Sequoyah Adolescent Treatment Center (for acute juvenile justice involvement);
- Turquoise Lodge (adult substance use disorder treatment);
- Rehabilitation Center (Roswell);
- Los Lunas Community Program; and
- Fort Bayard Medical Center (long-term services).

DOH (cont.)

Health Improvement:

Licenses and regulates health facilities:

- hospitals
- long-term care
- assisted living home care and hospice
- freestanding birth centers
- community mental health centers
- other facilities

Conducts abuse, neglect and exploitation (ANE) investigations at licensed health facilities and home- and community-based Medicaid waiver programs.

Operates the Caregivers Criminal History Screening Program, which provides criminal background checks on potential caregivers.

Operates the Employee Abuse Registry (EAR), also known as the Consolidated Online Employee Abuse Registry (COR):

- provides background checks for all caregivers, ensuring that they have not been disqualified by a substantiated case of ANE; and
 - individuals placed on the EAR are not eligible for hire as caregivers.
- Operates the Certified Nurse Aide Registry.

Scientific Laboratory

DOH (cont.): Family Infant Toddlers (FIT) Program

- ❑ Children's early-intervention services from birth to age 3 who have, or are at risk for, developmental delay and for their families.
- ❑ The DOH administers to more than 14,000 individuals statewide.
- ❑ Provided through individual providers and provider agencies statewide.

DOH (cont.): Medical Cannabis

Regulated under the Lynn and Erin Compassionate Use Act (LECUA).

State program administered by the DOH.

Patients must receive an identification card, available only for certain conditions.

Licensed producers are the only persons under state law eligible to sell, transport, store or possess cannabis.

For LECUA participation, doctors recommend that a patient have medical cannabis.

Practitioners *may* prescribe products containing cannabis in a prescription drug that the federal Food and Drug Administration has approved, once the first such drug is approved.

Remains illegal under federal law.

Corrections Health Care

Corrections Department:

- Population (as of April 2018): 6,579 men; 757 women = 7,336
- Total: approximately \$51.9 million

Contracts with Centurion:

- \$42.2 million (SFY 18 and 19)
 - Separate contracts for:
 - pharmaceuticals at \$7.4 million (SFY 18)
 - women's behavioral health at \$2.3 million (SFY 18)

Source: Legislative Finance Committee

State-Funded Health Care: Interagency Benefits Advisory Committee (IBAC)

Public employees and retirees, including those of state agencies and local governments that join SFY 14 enrollment at 195,701.

Made up of:

- Risk Management Division of the General Services Department (covering most state employees)=62,724 individuals enrolled, or 32% of IBAC;
- Retiree Health Care Authority=59,944 individuals enrolled, or 31% of IBAC;
- Public School Insurance Authority (non-Albuquerque school districts)=52,643 individuals enrolled, or 27% of IBAC; and
- Albuquerque Public School District=18,359 individuals enrolled, or 10% of IBAC.

Jointly bid, though each agency separately contracts for administrative services organizations, with risk accruing to each agency. **They do not collaborate on benefit packages or jointly purchased benefits.**

Source: Legislative Finance Committee

Local/State-Funded Health Care: Safety Net Care Pool — Counties and HSD

- Established pursuant to Indigent Hospital and County Health Care Act.
- Payments to hospitals for uncompensated care in accordance with a formula.
- Eligible for federal Medicaid reimbursement.

Local/State-Funded Health Care: County "Indigent" Funds (Health Care Assistance Fund)

- Established under Indigent Hospital and County Health Care Act.
- Each county maintains its own fund.
- Ambulance transportation.
- Hospital care.
- Provides health care to indigent patients.

School-Based Health Centers (SBHCs)

- Clinics on or near school grounds that provide physical and behavioral health services to students at that school.
- Many SBHCs also see students from other schools in the district, as well as staff and community members.
- An agreement between the DOH, the DOH's Office of School and Adolescent Health (OSAH), Medicaid managed care organizations and the HSD's Medical Assistance Division School Health Office.
- Dental services are also offered at some SBHCs.
- There are approximately 70 SBHCs in New Mexico.
- 48 SBHCs contract with the DOH's OSAH and are allowed to bill Medicaid.

Federally Qualified Health Centers (FQHCs) and FQHC "Look-Alikes"

- The Health Resources and Services Administration (HRSA) of the United States Department of Health and Human Services designates certain clinics as FQHCs or "look-alike" programs.
- An **FQHC** receives HRSA funding to provide services to underserved populations. The FQHCs are mostly located in rural and frontier "health professional shortage areas".
- A "**look-alike**" operates and provides services consistent with requirements for FQHCs. Look-alike programs do NOT receive funding from the federal Centers for Medicare and Medicaid Services.
- **BOTH FQHCs and look-alikes** are eligible for:
 - deeply discounted federal pharmaceuticals through the federal **340B Drug Pricing Program**;
 - reimbursement under FQHC Medicare and Medicaid payment methodologies; and
 - participation in recruitment and retention through the National Health Service Corps.

A Word About the 340B Drug Pricing Program

- Administered by the federal HRSA
- HOSPITALS:
 - 6 categories of hospitals:
 - disproportionate share hospitals (DSHs)
 - children's hospitals and cancer hospitals exempt from the Medicare prospective payment system;
 - sole community hospitals;
 - rural referral centers; and
 - critical access hospitals (CAHs).
 - all of which must be owned by a government or nonprofit formally granted governmental powers by state or local government, or a private nonprofit that has a contract with a state or local government to provide care to low-income individuals who do not qualify for Medicaid or Medicare
 - Except for CAHs, must meet payer-mix criteria related to Medicare DSH program.
- NON-HOSPITALS — 11 categories of non-hospital covered entities that all receive federal funding:
 - FQHCS
 - FQHC “look-alikes”;
 - state-operated AIDS drug assistance programs;
 - the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act clinics and programs;
 - tuberculosis, black lung, family planning, and sexually transmitted disease clinics; hemophilia treatment centers;
 - Title X public housing primary care clinics;
 - homeless clinics;
 - Urban Indian clinics; and
 - Native Hawaiian health centers.

Private Health Insurance

- ❑ Most plans are regulated by the Office of Superintendent of Insurance.
- ❑ Most must comply with state insurance requirements and with federal Patient Protection and Affordable Care Act minimum requirements.
- ❑ For self-insured plans, regulated by the federal government ("ERISA plans").
- ❑ Sold by private brokers and agents and by the New Mexico Health Insurance Exchange (www.bewellnm.org).

Health Professional Licensure: New Mexico Medical Board

- Medical Doctors
- Physician Assistants
- Anesthesiologist Assistants
- Genetic Counselors
- Polysomnographic Technologists
- Physician Supervisors of Pharmacist Clinicians
- Doctors of Naprapathy

Other Health Professional Regulation

BOARD OF OSTEOPATHIC MEDICINE, REGULATION AND LICENSING DEPARTMENT

- Doctors of Osteopathic Medicine
- Osteopathic Physician Assistants

BOARD OF NURSING

- Nurses — including Registered Nurses, Nurse Practitioners, Licensed Nurse-Midwives (though the DOH licenses "Certified Nurse Midwives")
- Hemodialysis Technicians
- Medication Aides
- Lactation Care Providers

Boards of Physical Therapy, Occupational Therapy, Social Work, Counseling and Therapy, Psychology, Podiatry, Athletic Trainer Practice, Acupuncture and Oriental Medicine

Private Health Care and Coverage Entities

Burrell College of Osteopathic Medicine (Las Cruces, leases site at New Mexico State University):

- ❑ trains osteopathic physicians and osteopathic physician assistants

Medicaid Managed Care Organizations (as of Jan. 1, 2019):

- ❑ Presbyterian Healthcare Services
- ❑ Blue Cross Blue Shield of New Mexico
- ❑ Western Sky Community Care (parent: Centene of Missouri)

Advocacy Organizations: New Mexico Medical Society; New Mexico Osteopathic Medical Association; New Mexico Nurses Association; New Mexico Center for Nursing Excellence; New Mexico Behavioral Health Providers Association; National Alliance on Mental Illness; New Mexico Health Care Association; New Mexico Association for Home & Hospice Care; Health Action New Mexico; New Mexico Center on Law and Poverty; Southwest Women's Law Center; Alzheimers' Association; March of Dimes; American Lung Association.