



**Presentation to the Legislative Health and Human Services Committee
Preserving Access to Rural Care**

July 10, 2018
Silver City, NM

Twenty-nine (29) of NMHA's 45 member hospitals serve frontier, rural, or micropolitan areas. Faced with fragile community economies; declining populations likely to be older and sicker than national averages; regulatory burdens better borne by large facilities; and the financial realities of a rapidly changing field, hospitals seek a path to assure access to care for the populations they serve.

A primary goal of the New Mexico Hospital Association is to create and sustain a viable rural healthcare delivery model. Legislative action to support this work is critical in five (5) key areas.

1. Address the financial fragility of rural and frontier hospitals

Background: According to experts, the viability of rural/frontier hospitals depends on four distinct pillars: governance, management, population demographics and reimbursement. A breakdown in any one of these areas weakens the hospital; and the area most readily accessible to state policymakers is reimbursement. In this environment, our nation's rural and frontier hospitals face a growing financial crisis. The expansion of Medicaid protected New Mexico hospitals from the closures being experienced across the country. Yet, many of our hospitals face declining or negative operating margins; any change could break them. The solution is of course new money to preserve access to care. The technical problem then becomes the allocation of those resources. And the long-term question, faced by all states, remains: "What is the future model for financing and delivering hospital care?"

Legislative Opportunity

In the short-term, support a comprehensive analysis of federal funding available, and the state and local matching funds that will maximize the drawdown of federal funding.

2. Support the rural hospital workforce

Background: Most hospital clinicians are not eligible for state or federal loan repayment dollars, although now critical access hospitals are eligible to apply for NHSC loan repayment. The average age of NM physicians is 60, NM Registered Nurses (RNs) is 46, and Advanced Practice Registered Nurses (APRNs) is 55. Advanced Practice Registered Nurses (APRNs) have been able to fill the gap in the rural primary care workforce, but 17 of the 33 counties fall below the benchmark for APRNs. Thirty (30) of the 33 counties are below benchmark in RNs. Academic debt continues to escalate, shrinking the volume of clinicians able to access limited state loan repayment funds.

Legislative Opportunities

- a. Enhance funding to the State Loan Repayment Program and encourage the State to apply for federal matching dollars
- b. Authorize a change in statute to the State Loan Repayment Program, apportioning a percentage specifically to hospitals, prioritized by frontier, rural and then urban facilities
- c. Health professions training programs should be enhanced, including strong support for physician education, advanced practice registered nurse programs at UNM and NMSU and New Mexico Nursing Education Consortium programs to increase the BSN-prepared workforce

3. Create a telehealth-friendly environment

Background: All NMHA member hospitals use some telemedicine services, varying dramatically based on timing and opportunity over the years. Proliferation remains stymied due to: lack of seed funding to initiate programs; insufficient reimbursement for sustained service delivery; and credentialing delays. In coordination with the New Mexico Telehealth Alliance, the following solutions are identified.

Legislative Opportunities

Telemedicine Proliferation Statewide

- a. Seed pilot projects through the NMDOH: Appropriate projects would be scalable and replicable, improving access and health outcomes affordably.
- b. Update the Telehealth Payment Parity law originally passed in 2013: Additions would enable reimbursement for remote patient monitoring and mobile health, explicitly add audio capacity and explicitly include physician assistants and advance practice clinicians.
- c. Develop a statewide credentialing process

Telemedicine Proliferation in Hospitals

- d. Add Project ACCESS to the Medicaid Fee Schedule
- e. Secure three years of pilot funding for on-demand tele-behavioral health consults in the Emergency Department, where 25-35% of patients present with a behavioral health diagnosis
- f. Identify and implement a viable model for tele-prenatal services

4. Strengthen the Behavioral Health Fee Schedule

Background: This document will not attempt to repeat the comprehensive statistics from Dr. Landen or Dr. Lindstrom. NMHA staff continue to participate in the NM Behavioral Health Service Division's Workforce Coalition; NMHA continues to convene its Behavioral Health Taskforce monthly meetings. The growing behavioral health crisis and inadequacy of community-based services pushes more patients and higher acuity patients into hospitals. The statewide problem is exacerbated in rural and frontier communities unable to support an appropriate range of outpatient and residential services. Patients living with Opioid Use Disorder (OUD) impact all hospital units at a growing rate; concurrently, the volume of New Mexicans struggling with alcohol dependence or other substances has not abated.

Legislative Opportunity

Enhance the Behavioral Health Fee Schedule sufficient to incentivize clinicians to serve Medicaid members

5. Test a potential new payment and delivery model for interested rural providers

Background: At their core, federal hospital payment models continue to focus on volume. Several of NMHA's rural hospitals are proactively working with other states and with CMS to cultivate a Center for Medicare & Medicaid Innovation (CMMI) grant opportunity to test a hybrid global budget. This model would start with Medicaid and Medicare, then expand to other payers. Fragile hospitals could "opt-in" to a multi-year pilot with a reasonably fixed budget to deliver services in a data-driven, community-focused approach. Pennsylvania is testing a similar model.

Legislative Opportunities

- a. The State of New Mexico must be the applicant for this type of CMMI grant. In addition to legislative support and encouragement of the application, the Medical Assistance Division will initially need a new employee dedicated to facilitating planning within the Division.
- b. If approved by CMS, amendments to some licensure statutes, such as the required provision of inpatient services by all hospitals, may be required.

New Mexico Hospitals: Strengthening Rural Economies

Entire counties benefit from hospital dollars and employee wages spent locally, and again from the additional businesses supported and taxes generated by a hospital and its employees. These are called secondary jobs and secondary income, measured with economic multipliers calculated for each county.

	Employees	Jobs	Wages	Labor Income	Economic Activity Generated by Hospital
Gerald Champion Regional Medical Center Curry County	900	1,359	\$59M	\$72M	\$176M
Gila Regional Medical Center Grant County	628	866	\$31M	\$40M	\$104M
Guadalupe County Hospital Guadalupe County	48	69	\$5.6M	\$6.4M	\$13.7M
Sierra Vista Hospital Sierra County	192	263	\$10M	\$12M	\$32M
Plains Regional Medical Center Curry County	530	805	\$37.6M	\$46M	\$125.6M
Socorro General Hospital Socorro County	201	285	\$16.4M	\$18.2M	\$35.5M
Presbyterian Española Hospital Rio Arriba County	335	546	\$37M	\$43.3M	\$96M
Lincoln County Medical Center (Ruidoso)	272	484	\$21.6M	\$26.5M	\$62.7M
Dr. Dan C. Trigg Memorial Hospital Quay County	86	128	\$6.8M	\$7.9M	\$26.8M



New Mexico's Community Hospitals New Mexico's Quality of Life

STRENGTHENING OUR ECONOMY

\$8.8 BILLION

IN TOTAL HOSPITAL EXPENDITURES IMPACT

\$5.2 BILLION spent by hospitals directly

\$3.6 BILLION in secondary expenditures like the purchase of local goods and services

70,646 JOBS AND \$3.4 BILLION

IN LABOR INCOME IMPACT

38,187 full and part-time hospital employees made **\$2.4 BILLION** in earnings and benefits

32,459 workers brought home **\$1 BILLION** from jobs supported by hospital business

CARING FOR OUR FAMILIES

169,213

HOSPITALIZATIONS
PROVIDED

21,971

NEWBORNS
DELIVERED

\$279

 MILLION

CHARITY AND UNCOMPENSATED
CARE COVERED

1,534

PREVENTED

PATIENT HARMS

Patient falls decreased by 20% | C. Difficile Infections fell by 29% | 30-day hospital readmissions fell by 10%

OUR CALL TO ACTION



The Medicaid program provides health insurance for 41% of all New Mexicans.



We must work together to ensure full funding for Medicaid so that community hospitals can continue to support the employees and the services that improve health and quality of life in our state.



Contact your representatives and urge them to fight for Medicaid funding. It's a sound investment in our hospitals, our people and our economy.



New Mexico Hospital Association

Lifesaving Care. Economic Lifeblood.

7471 Pan American Freeway NE,
Albuquerque, NM 87109

Ph: (505) 343-0010 | Toll Free: (800) 432-5050
www.nmhanet.org