NEW MEXICO PHYSICIAN WORKFORCE SHORTAGE

REBUILDING OUR WORKFORCE AND STRENGTHENING THE HEALTH CARE SYSTEM

Legislative Health and Human Services Committee
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2022 SUMMARY OF LICENSED HEALTH CARE PROFESSIONALS

New Mexico has **lost** physicians since 2013:

- 308 **fewer** Primary Care Physicians
  - 181 **below** the national benchmark
- 37 **fewer** OB-GYNs (NM lost more OB-GYNs in 2022)
  - 19 **below** the national benchmark
- 20 **fewer** General Surgeons
  - 11 **above** the national benchmark
- 12 **fewer** Psychiatrists
  - 15 **below** the national benchmark

Summary of Health Care Professionals with New Mexico Licenses Practicing in the State

A. Physicians

Profession Metric	2013	2016[b]	2017	2018	2019[c]	2020	2021	Net Change Since 2013
PCPs								
# in New Mexico	1,957	2,076	2,360	2,162	1,581	1,607	1,649	-308
Total Below Benchmark[a]	153	139	126	136	336	328	334	181
Counties Below Benchmark	23	22	16	18	26	27	25	2
OB-GYNs								
# in New Mexico	256	273	282	279	230	229	219	-37
Total Below Benchmark[a]	40	31	30	39	59	56	59	19
Counties Below Benchmark	14	9	11	15	17	17	19	5
General Surgeons								
# in New Mexico	179	188	194	188	155	154	159	-20
Total Below Benchmark[a]	21	14	12	11	11	10	10	-11
Counties Below Benchmark	12	7	7	6	5	5	4	-8
Psychiatrists								
# in New Mexico	321	332	332	317	296	305	309	-12
Total Below Benchmark[a]	104	106	111	108	106	117	119	15
Counties Below Benchmark	25	26	26	26	26	26	24	-1

[a] Total below benchmark reflects the number of providers needed to bring all counties below benchmarks to national provider-to-population values without reducing workforce in counties above benchmarks.

[b] This is the first year for which DO specialties were analyzed, correcting prior years' overestimation of DOs in primary care and underestimation in OB-GYN, general surgery and psychiatry.

[c] Non-practicing providers for all professions were excluded beginning with 2019.

UNIQUE CHALLENGES NEW MEXICO MUST OVER COME

- According to a 2022 report released by the Association of American Medical Colleges, the U.S. faces a projected shortage of between 37,800 and 124,000 physicians by 2034.
  - AAMC projects by 2034 include shortages of 17,800 – 48,000 primary care physicians and 21,000 – 77,100 non-primary care physicians.
- New Mexico is competing against every other state in the union to attract and retain physicians – and solving our shortage issues will be even more challenging due to social struggles we are working to overcome and the extremely rural nature of our state.
- New Mexico's shortage is severe – Workforce Solutions reports that as of May 2023 there were **2,470** posted openings for physicians.
- We must recognize that in order to recruit and retain physicians, our state requires an entirely different system of support for new or "urban-transitioning" physicians – we must ensure people are not afraid to practice in our communities due to lack of access to other health care clinicians.

MEDICAL PRACTICES ARE UNIQUE BUSINESSES

- Why is it so hard to run a medical practice?
  - Because medicine is the **only** industry in which the business cannot control the price of the services or goods we provide.
- The rates practices receive for procedures are set through a lopsided negotiation process with an MCO where the practitioners almost always receive less payment for the service than the cost to provide it.
  - The rates for commercial plans often fall back on Medicaid and Medicare rates, which we show on the next slide are lower than practice costs.
- These rates are set, often, more than a year in advance of the service provided through the fee schedule. Some of the contracts have evergreen clauses that make it difficult for providers to renegotiate rates for years at a time.
  - This means "new price setting" cannot occur mid-year to react to growing costs.
- The only way to increase revenue is to see more patients, which is not the best quality of care, or to accept only private pay patients in which the provider can set their own prices. But most New Mexicans could never afford to receive care in that setting.

CELEBRATE FY2024 GAINS AND MAKE PLANS FOR GREATER INVESTMENT IN FY2025

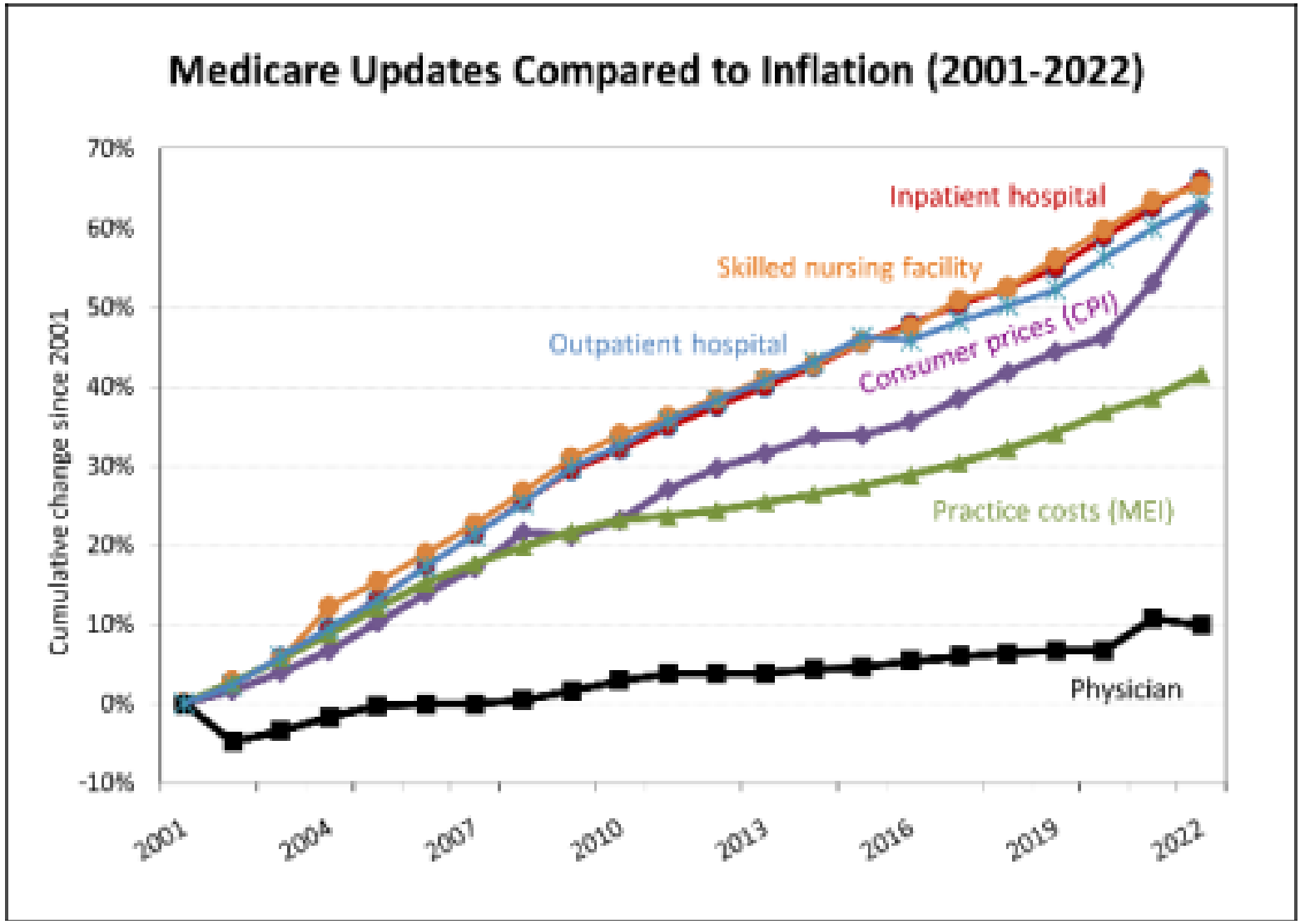
MEDICAID BUDGET & REIMBURSEMENT RATES

MEDICARE HELPS TELL THE STORY OF LOW REIMBURSEMENT RATES

The State of New Mexico does not control Medicare, but stagnant Medicare reimbursements compound the revenue issues for physician practices.

Physician reimbursement rates have not kept up with inflation because there is no inflation adjuster in the rates.

Physicians have experienced no notable increase in Medicare in 20 years - **The proposal for 2023 was to CUT Medicare rates by 8.25%. After a year of wrangling and negotiations, the big WIN for Medicine was a CUT of 2%.**



MEDICAID REIMBURSEMENTS

- In FY2023, Forty-eight percent (48%) of New Mexicans are Medicaid clients – even with the ending of the federal Public Health Emergency and requirements to disenroll ineligible Medicaid clients, a significant population in NM will continue to be served through Medicaid.
- The FY2024 budget is to be commended for the significant investment it made in Medicaid – but more must be done to stabilize and grow Medicaid reimbursements in future fiscal years.
  - Investments in Medicaid in FY2024 are the **first step** to increasing rates but it is not a windfall for practices across New Mexico.
  - NMMS encourages the legislature and executive to increase the Medicaid budget in FY2025 so rates may reach at least 150% of Medicare for primary care, maternal & child health, and behavioral health.
  - Additionally, specialty care rates must increase to at least 120% of Medicare.
  - The legislature and executive should consider creating parity in percentage increases for all preventative health codes to match those of primary care. For example: mammograms, colonoscopies, immunizations (including those given in pharmacies),

Medicaid & Medicare Reimbursement Rates 2023
Rural Pediatric Practice

Top 10+ Codes*	Current Medicaid Rates			Current Medicare Rates		New Medicaid Rates As of July 1st 2023	Difference Between New Medicaid Rates and Current Medicare Rates (Automatically Calculated)		Difference Between New Medicaid Rates and Current Presbeteryian Rates (Automatically Calculated)	Difference Between New Medicaid Rates and Current BCBS Rates (Automatically Calculated)	Difference Between New Medicaid Rates and Current Western Sky Rates (Automatically Calculated)
	Presbeteryian	BCBS	Western Sky	Regular	MIPS**		Regular	MIPS**			
92587 auditory test	21.39	21.39	21.37	7.41		20.94	13.53	20.94	-0.45	-0.45	-0.43
99177 ocular instrumnt scrn	37.45	37.45	37.42	35		36.64	0	36.64	-0.81	-0.81	-0.78
99213 office op 20-29 min	70.25	70.26	70.19	65.66		104.57	38.91	104.57	34.32	34.31	34.38
96110 develpmntl scrn	16.69	16.69	16.68	15.6		16.63	1.03	16.63	-0.06	-0.06	-0.05
87804 flu assay w/ optic	16.65	16.65		15.56		19.86	4.3	19.86	3.21	3.21	19.86
99188 app top fluoride var	19.26	19.26	19.24	18		18.84	0.84	18.84	-0.42	-0.42	-0.4
99173 visual acuity scrn	37.45		37.42	35		36.64	1.64	36.64	-0.81	36.64	-0.78
99214 office op 30-39 min	103.04	103.05	102.96	96.31		148.18	51.87	148.18	45.14	45.13	45.22
99393 prev visit age 5-11	110.03	110.04	109.94	102.84		107.65	4.81	107.65	-2.38	-2.39	-2.29
87880 strep a assay w/opt	15.54	16.63	16.61			19.84	19.84	19.84	4.3	3.21	3.23
99392 prev visit age 1-4	110.03	110.04	109.94	102.84		107.65	4.81	107.65	-2.38	-2.39	-2.29
99391 per reeval infant	110.03	110.04	109.94	102.84		107.65	4.81	107.65	-2.38	-2.39	-2.29
85018 hemoglobin	2.39	2.39	2.38	2.23		2.84	0.61	2.84	0.45	0.45	0.46
99394 prev visit age 12-17	110.03	110.04	109.94	102.84		107.65	4.81	107.65	-2.38	-2.39	-2.29
85014 hematocrit	2.39	2.39	2.38	2.23		2.84	0.61	2.84	0.45	0.45	0.46
83655 lead	12.18	12.18	12.17	11.38		14.53	3.15	14.53	2.35	2.35	2.36

Medicaid & Medicare Reimbursement Rates 2023
Rural Orthopedic Practice

Top 10+ Codes*	Current Medicaid Rates			Current Medicare Rates		New Medicaid Rates As of July 1st 2023	Difference Between New Medicaid Rates and Current Medicare Rates (Automatically Calculated)		Difference Between New Medicaid Rates and Current Presbeteryian Rates (Automatically Calculated)	Difference Between New Medicaid Rates and Current BCBS Rates (Automatically Calculated)	Difference Between New Medicaid Rates and Current Western Sky Rates (Automatically Calculated)
	Presbeteryian	BCBS	Western Sky	Regular	MIPS**		Regular	MIPS**			
97110 therapy exercises	29.08	29.08	29.08	28.48		34.18	5.7	34.18	5.1	5.1	5.1
99213 office est20-29 mi	69.93	69.93	69.93	87.14		104.57	17.43	104.57	34.64	34.64	34.64
97140 manual therapy	27.16	27.16	27.16	26.28		31.53	5.25	31.53	4.37	4.37	4.37
27447 total knee arthro	1385.95	1385.95	1385.95	1,272.86		1527.41	254.55	1527.41	141.46	141.46	141.46
99203 office new 30-44	102.48	102.48	102.48	108.64		130.36	21.72	130.36	27.88	27.88	27.88
73560 xray exam knee	28.07	28.07	28.07	32.2		38.64	6.44	38.64	10.57	10.57	10.57
99212 office est 10-19 m	42.16	42.16	42.16	54.22		65.06	10.84	65.06	22.9	22.9	22.9
20610 drain/inj joint	60.03	60.03	60.03	62.7		75.24	12.54	75.24	15.21	15.21	15.21
73030 xray exam shoulde	27.4	27.4	27.4	32.57		39.08	6.51	39.08	11.68	11.68	11.68
97162 PT eval 30 min	48.49	48.49	48.49	92.17		116.61	24.44	116.61	68.12	68.12	68.12
73502 xray exam hip	39.05	39.05	39.05	44.01		52.81	8.8	52.81	13.76	13.76	13.76
73721 mri jnt lwr w/o dye	223.66	223.66	223.66	198.17		237.79	39.62	237.79	14.13	14.13	14.13
29871 knee arthro drainag	504.53	504.53	504.53	510.08		612.07	101.99	612.07	107.54	107.54	107.54
29875 synovectomy arthr	492.59	492.59	492.59	491.04		589.22	98.18	589.22	96.63	96.63	96.63
29876 knee arthro/surger	632.25	632.25	632.25	645.74		774.86	129.12	774.86	142.61	142.61	142.61
29879 knee arthro/surger	641.56	641.56	641.56	654.75		785.72	130.97	785.72	144.16	144.16	144.16
29880 knee arthro/surger	570.2	570.2	570.2	556.06		667.27	111.21	667.27	97.07	97.07	97.07
29881 knee arthro/surger	549.17	549.17	549.17	534.8		641.74	106.94	641.74	92.57	92.57	92.57
29882 knee arthro/surger	675.08	675.08	675.08	682.87		819.42	136.55	819.42	144.34	144.34	144.34

WHY IS MEDICAID SO IMPORTANT?

- Medicaid revenue is the cornerstone of most practices in New Mexico. Stabilizing this revenue stream to cover costs, and provide a cushion for reinvestment in practices, is critical to the business of medicine.
- The take home benefit of (this list of things increased rates would allow) is to provide access to the care that is needed. Without these, the workforce, supplies, and up to date technology will not be available.
- Better revenue allows practices to:
  - Reinvest in delivering health care
  - Offer more competitive pay
  - Develop recruitment packages and retention bonuses
  - Modernize practice tools
  - Hire critical patient care team staff and administrative support staff
  - Provider ongoing training opportunities

CONFIDENCE IN "BEING ALONE"

BETTER PREPARING OUR RESIDENTS TO PRACTICE IN RURAL COMMUNITIES

RESIDENCY PROGRAMS

- Several other states have made a real commitment to preparing physicians to not just "do a small rotation" in a rural community but be truly prepared for practice in rural communities.
  - Texas Tech - Accelerated Family Medicine Program – an innovative 3 yr accelerated medical school curriculum that culminates into an MD degree and leads to a standard 3 year family medicine residency in Lubbock, Amarillo, or the Permian Basin.
  - Oregon - OHSU and UC Davis partnered (via an AMA "Reimaging Residency" grant called the California Oregon Medical Partnership to Address Disparities in Rural Education and Health (COMPADRE) which places hundreds of medical students and resident physicians to train at rural health systems including 5 week required rotations so they can gain experience working side-by-side with successful, confident role models in rural health care delivery.
  - OHSU family medicine launches in 2024 a graduate medical education and RURAL TRACT PROGRAM (RTP) – residents spend intern year at Oregon Health and Science University in Portland, then 2 years in a rural critical access hospital.
  - Oklahoma - Rural Medical Tract at OSU where students shadow rural physicians and complete clinical core rotations at community based primary care residency sites.
- NMMS encourages the legislature to fully fund rural rotations for medical school students, to fully fund rural residencies in New Mexico and to provide financial incentives for preceptors in rural communities.

COMPETING NATIONALLY

HIGHER EDUCATION LOAN REPAYMENT


2 years; $70,000
Varies; no cap
up to 5 years; no cap
Varies; no cap
2 years; $40,000
4 years; $100,000
3 years; $50,000
up to 8 years; $200,000
Up to 5 years; $230,000
Varies; No Cap
2 years; $40,000
Varies; No Cap
2 years; $20,000
4 years; $80,000
Up to 4 years; $100,000
Up to 4 years; $120,000
Varies; no cap
2 years; $50,000
2 years, $120,000
5 years; $200,000
3 years; $90,000
varies; $105,000
2 years; $50,000
Up to 4 years; $90,000
4 years; $140,000
varies; $100,000
2 years; $70,000
up to 4 years; $150,000
Varies; no debt
3 years; $75,000
2 years; $50,000
4 years; $160,000
4 years; $160,000
4 years; $100,000
3 years; $90,000
Varies; depends on specialty
2 years; no cap

MAJOR IMPROVEMENTS TO NM LOAN REPAYMENT LAW

- HB209 Health Professional Loan Repayment: Rep. Kristina Ortez, Rep. Gail Armstrong, Rep. Joshua Hernandez, Rep. Natalie Figueroa, Rep. Reena Szczepanski
- This bill made to major improvements to the law: (1) allows specialists to now apply for loan repayment; (2) increases years of commitment from 2 to 3.
- The law does not specify **how** the Higher Education Department must structure the loans, just that they be available. But in order to now restructure our loan program, it **must** be fully funded.
- The Executive recommended $30 million in loan repayment in the 2023 legislative session.
  - The 2023 General Appropriation Act providers $5 million recurring and $10 million non-recurring in FY2024.
  - NMMS encourages the legislature to **fully fund** the loan repayment fund – at least $30 million – in FY2025.
- Once the loan repayment fund is fully funded, the Higher Education Department may consider restructuring loan repayments to provide retention "bonus" payments and higher annual awards.

MEDICINE WILL FAIL IF NM DOES NOT HAVE A ROBUST SPECIALIST NETWORK

SPECIALIST NETWORK SUPPORT

GROWING SPECIALISTS AND PLUGGING THEM INTO RURAL COMMUNITIES

- There is never going to be a specialist in every NM community – nor would it be appropriate for there to be. However, we continue to lose specialists at an alarming rate.
- Though primary care is the first defense against medical issues, when they arise primary care physicians need a robust specialist network to which it can refer. We also need an adequate number of hospital beds available to take care of patients when they need care.
  - Ensuring we invest in specialists, through Medicaid particularly, is an important way to stabilize those networks.
- Specialists must also be plugged into rural communities through curbside/virtual visits so rural physicians have support they need to care for patients – which is part of making sure rural clinicians are "not alone."
- The state should also consider continuing the "hub and spoke" system it implemented for COVID but expand it to other medical emergencies so rural clinicians and patients can access hospital beds in a more predictable manner.

WAYS TO SUPPORT COMMUNITIES IN RECRUITMENT EFFORTS

QUALITY OF LIFE & BUSINESS SUPPORT

OFFERING ADDITIONAL INCENTIVES TO HELP RECRUITMENT

- Housing – a great example of state sponsored housing in recruitment efforts is teacherages in rural districts across New Mexico. The state offers free housing to young teachers as part of an "incentive package" to encourage them to move there.
- There is no reason to not replicate this for new health care clinicians – not just physicians. State capital outlay dollars can be used to build housing with community partnership and partnership from local hospitals or practices. Free, or low-cost housing, can be provided upon signature of a multi-year contract to practice in the community.
- An additional solution could be to expand rental assistance programs to include health care clinicians.
- We must also support health care workers in taking personal time necessary to avoid burn our – meaning they need to be able to take vacation and still receive personal income tax credits.
  - HB351 Rural Health Tax Credit Eligibility: Rep. Jenifer Jones decreased the total number of hours a clinician must work to receive the credit.
  - HB38 Rural Health Care Practitioner Additions: Rep. Miguel Garcia added necessary and essential clinicians to the credit.

NEW BUSINESS GUIDANCE

- Medical school graduates and residents learn **nothing** in school about the business side of practicing medicine and are often ill-prepared to open a private practice on their own.
- NMMS encourages the state create a NM Health Care Business Liaison in the Economic Development Department who can be a "one-stop shop" to help medical entrepreneurs in opening a health care practice, including behavioral health. The legislature could codify this liaison in statute to ensure its longevity.
- This liaison would have expertise in assisting new practices in:
  - Grant opportunities (NMFA, HCAD, DOH
  - Medicaid enrollment (HCAD)
  - Taxes (TRD)
  - Insurance enrollment & credentialing (OSI)
  - Licensure (BOM)
  - Workforce recruitment and training (EDD – JTIP, LEDA; WFS)
  - Recommendations for other supports (attorneys that specialize in health care, malpractice coverage, EHRs

EXPLORING CREATIVE WAYS TO GROW OUR WORKFORCE

CREATE A "NEW POOL" FROM WHICH TO RECRUIT

HIGH QUALITY PHYSICIANS FROM UNTAPPED POOLS OF TALENT

- Explore programs that would allow a recently graduated medical students who do not match to a residency to practice in New Mexico in a highly supervised environment for one-year. Upon successful completion of this supervised experience, New Mexico should work to ensure there is adequate residency infrastructure so that student could match to a UNM residency.
  - This would require **funding** to increase the number of residency slots at UNM.
  - The state could explore after completion of the one-year supervised experience that a student be matched to a shortened primary care residency.

NEW MEXICO MEDICAL SOCIETY

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