



HEALTH CARE AUTHORITY



LEGISLATIVE HEALTH & HUMAN SERVICES COMMITTEE

NOVEMBER 30, 2023

SECRETARY DESIGNATE KARI ARMIJO

INVESTING FOR TOMORROW, DELIVERING TODAY.

BEFORE WE START...

On behalf of all colleagues at the Health Care Authority, we humbly acknowledge we are on the unceded ancestral lands of the original peoples of the Pueblo, Apache, and Diné past, present, and future.

With gratitude we pay our respects to the land, the people and the communities that contribute to what today is known as the State of New Mexico.



Evening drive through Corrales, NM in October 2021.
By HCA Employee, Marisa Vigil



AGENDA

- Better Together: (The New) New Mexico Health Care Authority
 - Purpose
 - Actions Taken
 - Future Actions
 - FY 25 HCA Budget Request



Kari Armijo
Secretary Designate
Kari.Armijo@hsd.nm.gov

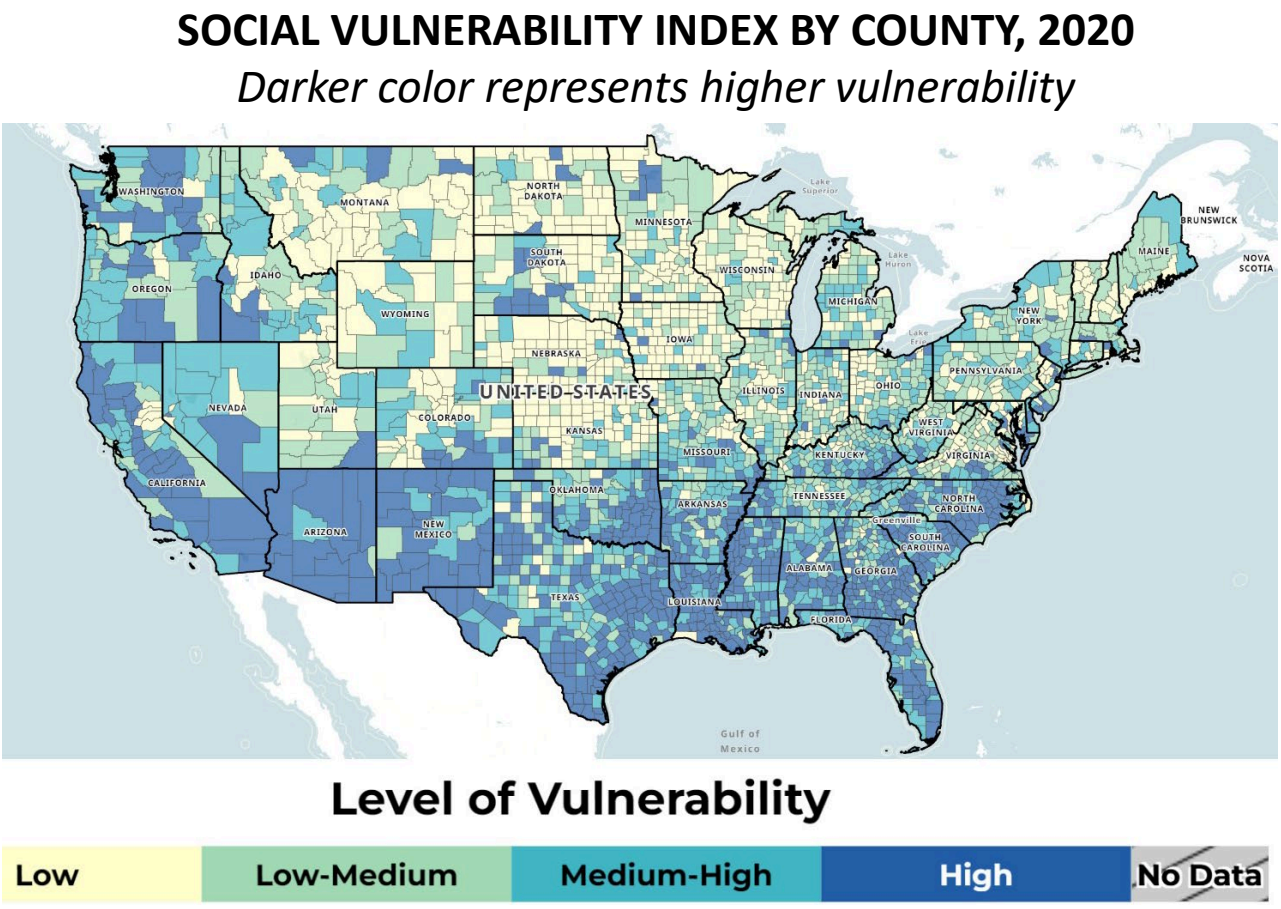
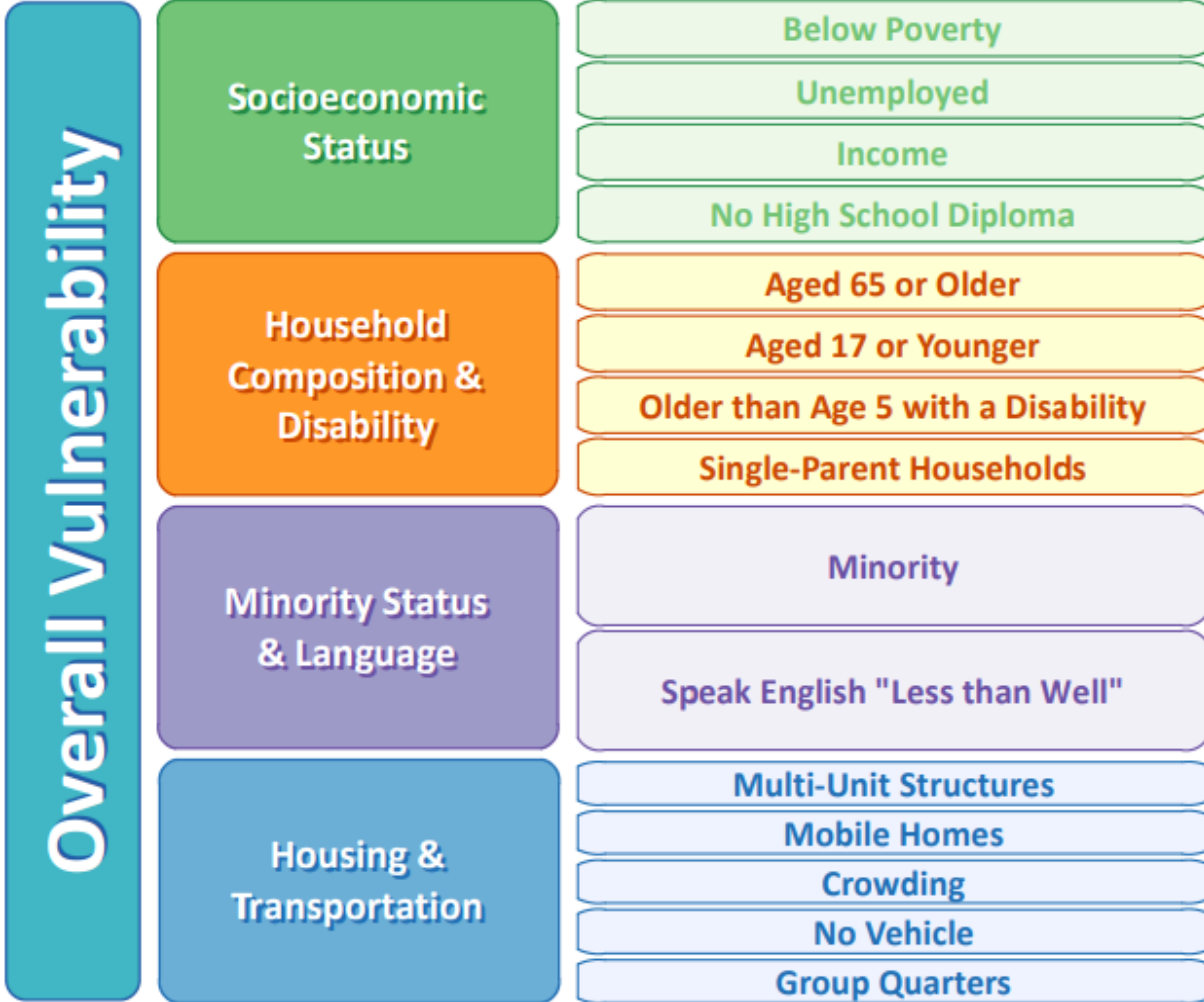
505-249-8773



HEALTH CARE
AUTHORITY

Investing for tomorrow, delivering today.

NM HAS HIGHEST SOCIAL VULNERABILITY IN THE U.S.



Source: https://www.atsdr.cdc.gov/placeandhealth/svi/interactive_map.html





HEALTH CARE
AUTHORITY

MISSION

We ensure New Mexicans attain their highest level of health by providing whole-person, cost-effective, accessible, and high-quality health care and safety-net services.

VISION

Every New Mexican has access to affordable health care coverage through a coordinated and seamless health care system.

GOALS



IMPROVE Leverage purchasing power and partnerships to create innovative policies and models of comprehensive health care coverage that improve the health and well-being of New Mexicans and the workforce.



SUPPORT Build the best team in state government by supporting employees' continuous growth and wellness.



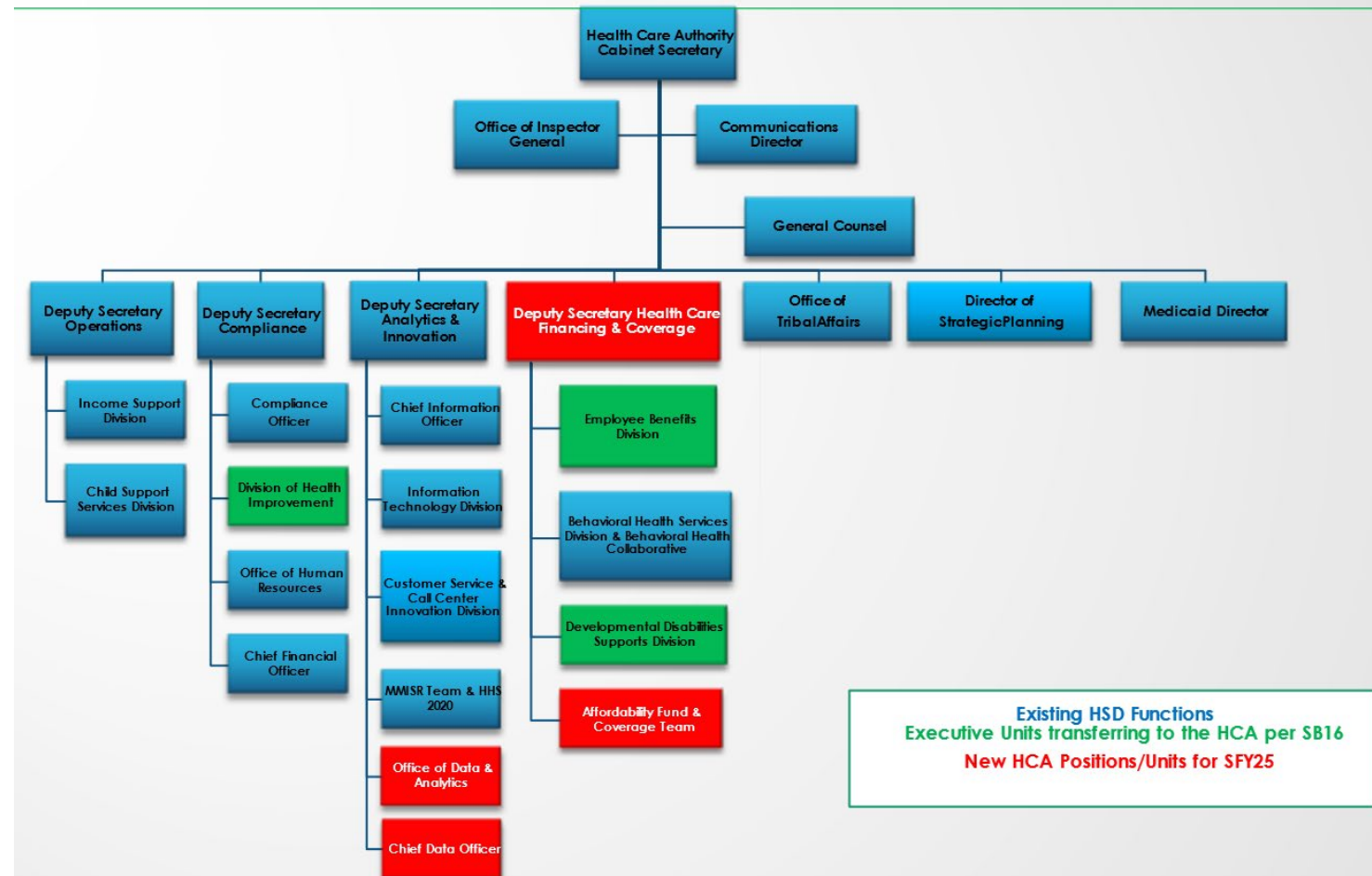
ADDRESS Achieve health equity by addressing poverty, discrimination, and lack of resources, building a New Mexico where everyone thrives.



PROVIDE Implement innovative technology and data-driven decision-making to provide unparalleled, convenient access to services and information.

BETTER TOGETHER: NEW MEXICO HEALTH CARE AUTHORITY

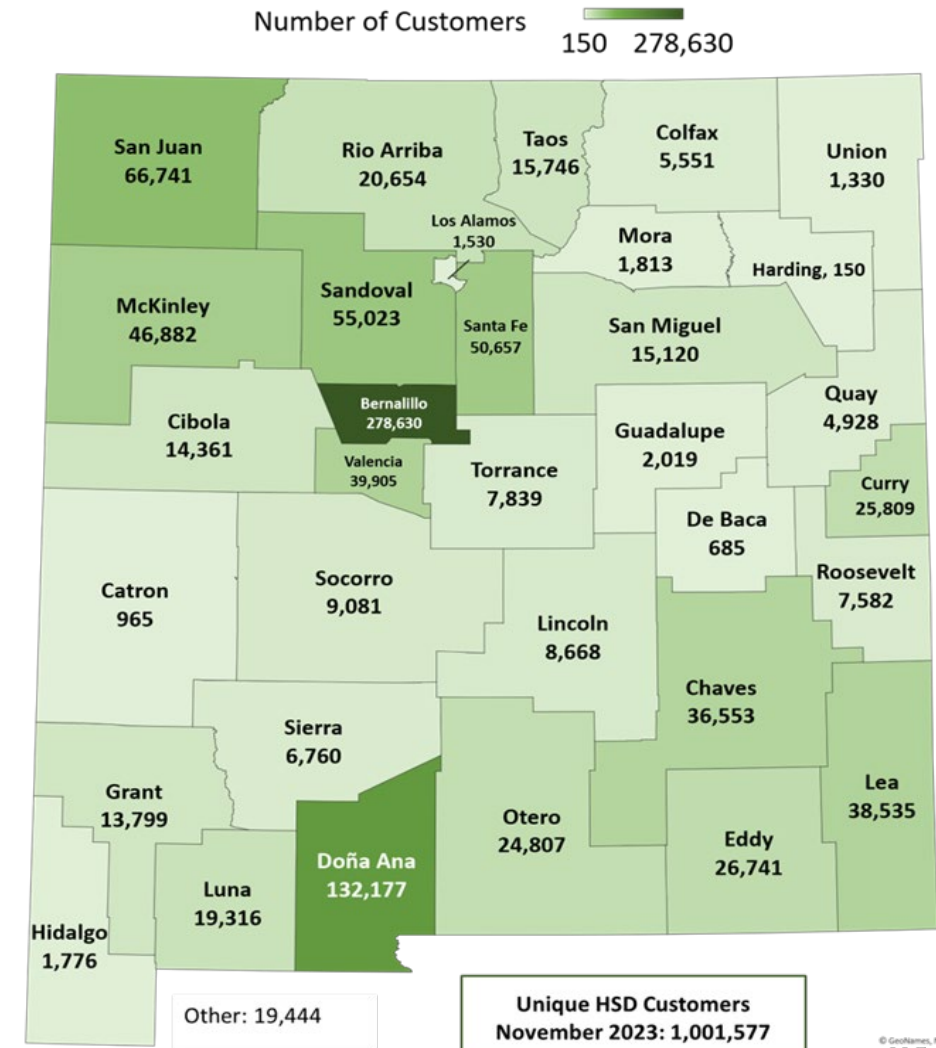
- Transition Plan submitted to LHHS and LFC on November 1 in accordance with SB16.
- On July 1, the HCA will include:
 - All existing Human Services Department (HSD) divisions;
 - The Division of Health Improvement from the Department of Health (DOH);
 - The Developmental Disabilities Supports Division from DOH; and
 - The Employee Benefits Bureau from the General Services Department (GSD).
- New Office of Data & Analytics and Chief Data Officer (FY25 budget request item)



BETTER TOGETHER: HCA WILL SERVE MORE THAN 50% OF YOUR CONSTITUENTS

- The HCA will continue to serve all 1,001,577 HSD customers as well as:
 - 180,000 public employees and retirees (including state employees);
 - 7,319 New Mexicans enrolled in the Medicaid Developmental Disability waiver program; and
 - All New Mexicans who receive care at a licensed health facility or from a Medicaid Home and Community-Based Waiver provider.

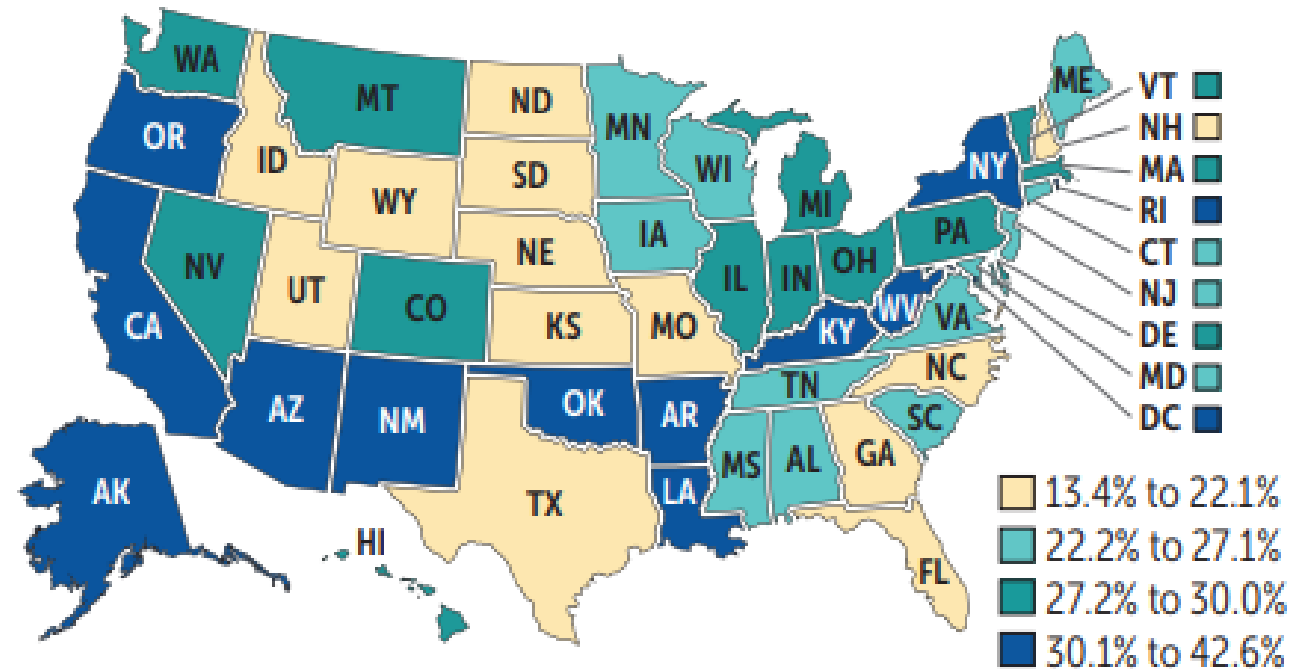
Unique HSD Customers, November 2023



THE HCA IS POSITIONED TO LEAD THE NATION IN HEALTH CARE PURCHASING, EQUITY, AND ACCESS

- The HCA demonstrates the Governor's commitment to prioritizing health and well-being of every New Mexican by creating a single agency for health care purchasing, policy, and regulation.
- The HCA will transform how NM purchases health care, leveraging the purchasing power of Medicaid to improve cost, quality, and outcomes.
- The HCA will leverage expertise, optimize data analytics, and drive accountability to achieve improvements in health care system.

Children & Adults Enrolled in Medicaid or CHIP, 2022 (%)



Note: Enrollment in Medicaid or CHIP represents individuals who are eligible for full Medicaid or CHIP benefits.

Source: <https://www.medicaid.gov/sites/default/files/2023-04/beneficiary-ataglance-2023.pdf>

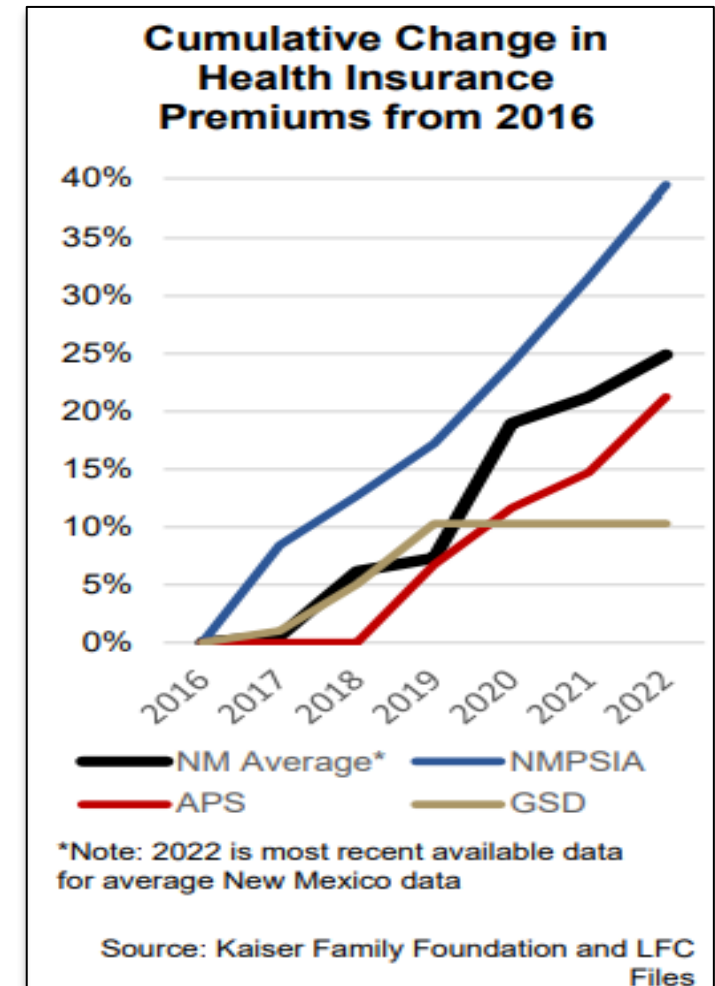


HEALTH CARE
AUTHORITY

Investing for tomorrow, delivering today.

THE HCA WILL ENABLE DELIBERATE PARTNERSHIP TO IMPROVE NM PURCHASING POWER

- **Executive Order** requesting that the HCA, the NM Public Schools Insurance Authority (NMPSIA), the NM Retiree Health Care Authority (RHCA), and other Interagency Benefits Advisory Committee (IBAC) agencies work together to develop a coordinated and comprehensive purchasing plan for health care benefits for public employes and retirees that can be implemented by 7/1/25.
- **Proposed legislation:**
 - Administratively attach the HCA and RHCA effective July 1, 2024;
 - Require the IBAC to make purchasing recommendations to the Secretary of the HCA for final decision-making; and require the IBAC agencies to engage in joint contracting for health benefits effective July 1, 2025; and
 - Move the New Mexico Health Care Affordability Fund and coverage team (including the transfer of staff and appropriations) from the Office of the Superintendent of Insurance (OSI) to the HCA effective July 1, 2024.



Source:

<https://www.nmlegis.gov/handouts/ALFC%20092723%20Item%2017%20Health%20Insurance%20and%20Risk%20Rates.pdf> ;

Public School Insurance Authority (NMPSIA), Albuquerque Public Schools (APS), General Services Department (GSD)



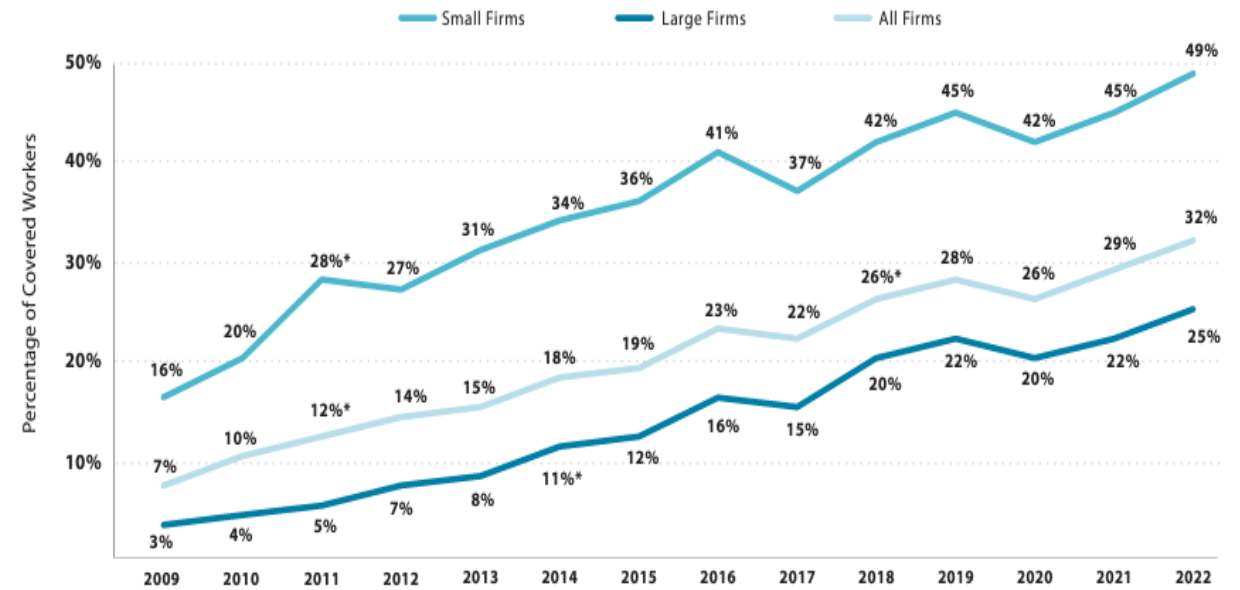
HEALTH CARE
AUTHORITY

Investing for tomorrow, delivering today.

FIVE FOUNDATIONAL ACTIONS WE ARE TAKING NOW

- 1. Ensuring that the HCA is in a favorable position for procuring health benefits contracts** by exercising a Procurement Code exemption to execute one-year contracts with current carriers for the State of NM.
- 2. Conducting a full analysis of the best options for NM** to include a full actuarial comparison of the self-insured model compared to fully insured model.
- 3. Thoroughly reviewing performance of the current system** by initiating a claims integrity audit.
- 4. Onboarding expertise** to consider procurement strategies and negotiate favorable contract terms for State of NM benefits (including reverse auction procurement and Medicare reference-based pricing).
- 5. Protecting employees** from unsupported out-of-pocket price increases (deductibles and co-pays) without adequate data analysis and understanding of impacts.

Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of \$2,000 or More for Single Coverage, by Firm Size, 2009-2022



*Estimate is statistically different from estimate for the previous year shown (p < .05).


NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. These estimates include workers enrolled in HDHP/SOs and other plan types. Average general annual deductibles are for in-network providers.

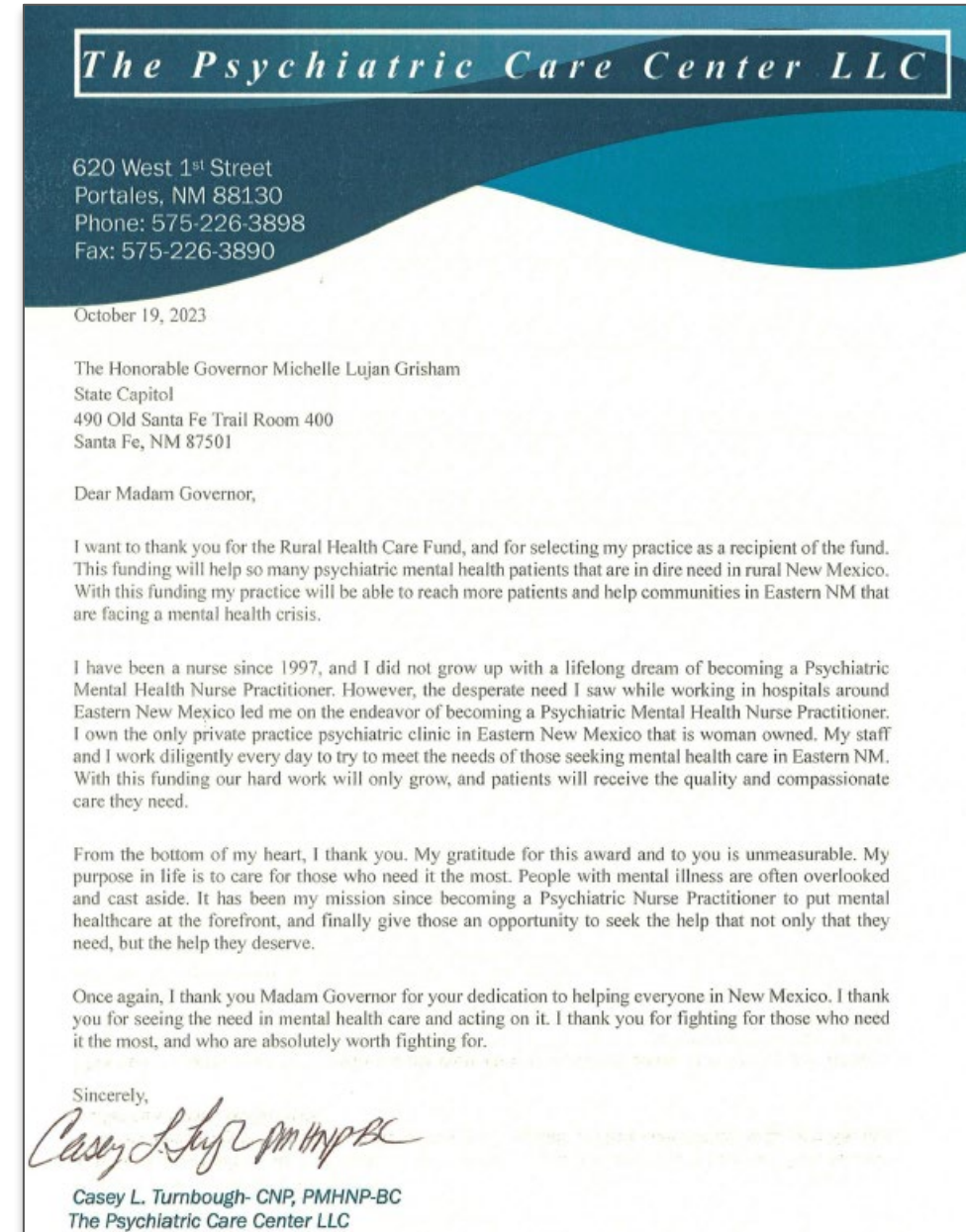
SOURCE: KFF Employer Health Benefits Survey, 2018-2022; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017



THE HCA WILL BUILD ON HSD'S SUCCESSSES

Since 2019, HSD's dedicated team has worked tirelessly and:

- Received federal approval for dozens of initiatives to redesign and enhance the health care delivery system.
- Executed new Medicaid Managed Care Organization contracts with more stringent accountability requirements and health benefits to better serve New Mexicans.
- Invested \$2.5B in Medicaid reimbursement and provider rate increases.
- Launched 988, significantly expanded the behavioral health workforce, and added new BH benefits, reaching more New Mexicans in need.
- Provided safety net services to New Mexicans during pandemic, including to 319,479 new SNAP customers and 185,715 new Medicaid members.
- Providing additional \$7M per year to children through a modernized Child Support program and an average increase per family of 26.8% in TANF benefits.
- On track to provide \$80M to rural providers via the newly-created Rural Health Care Delivery Fund in 2023. 



KEY ACCOMPLISHMENTS IN PREPARATION FOR JULY 1, 2024

Conducted Transition Meetings with Executive Units outlined in SB16

Submitted an inaugural FY2025 HCA Budget Request

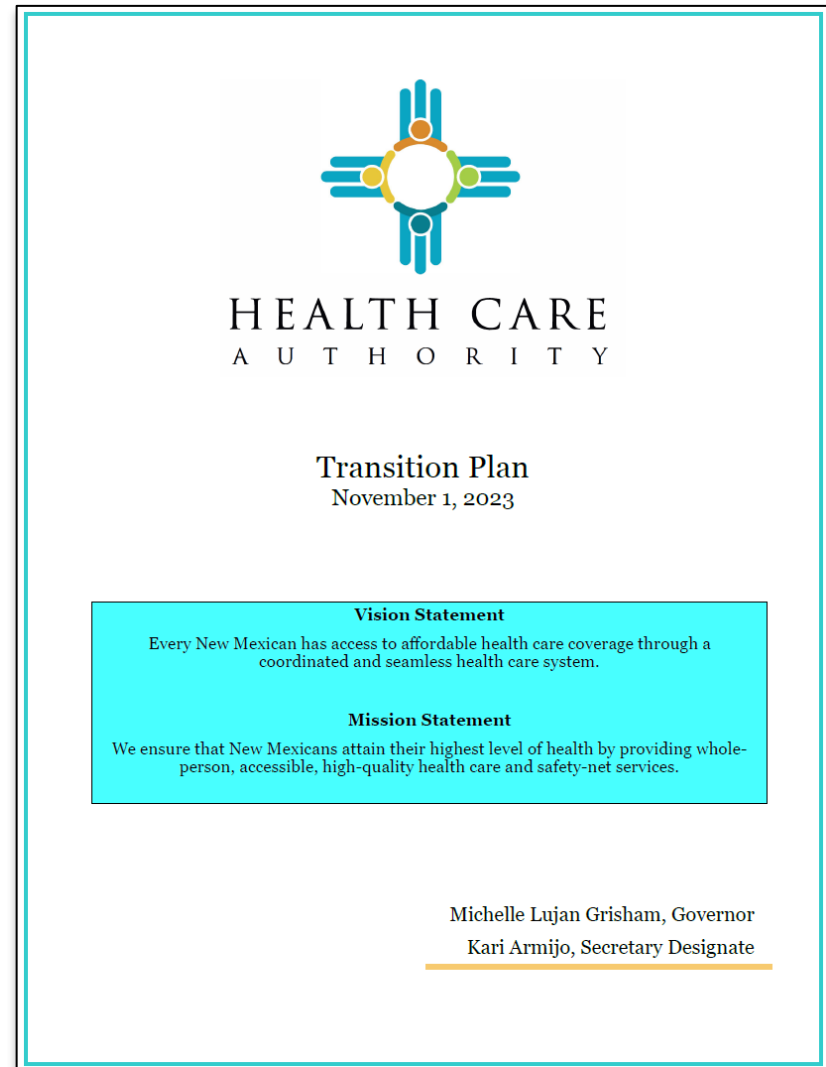
Creating a full Strategic Plan for the HCA

Developed and submitted an initial Transition Plan for the HCA

Implemented a Communication Plan and Brand Identity Plan for the HCA

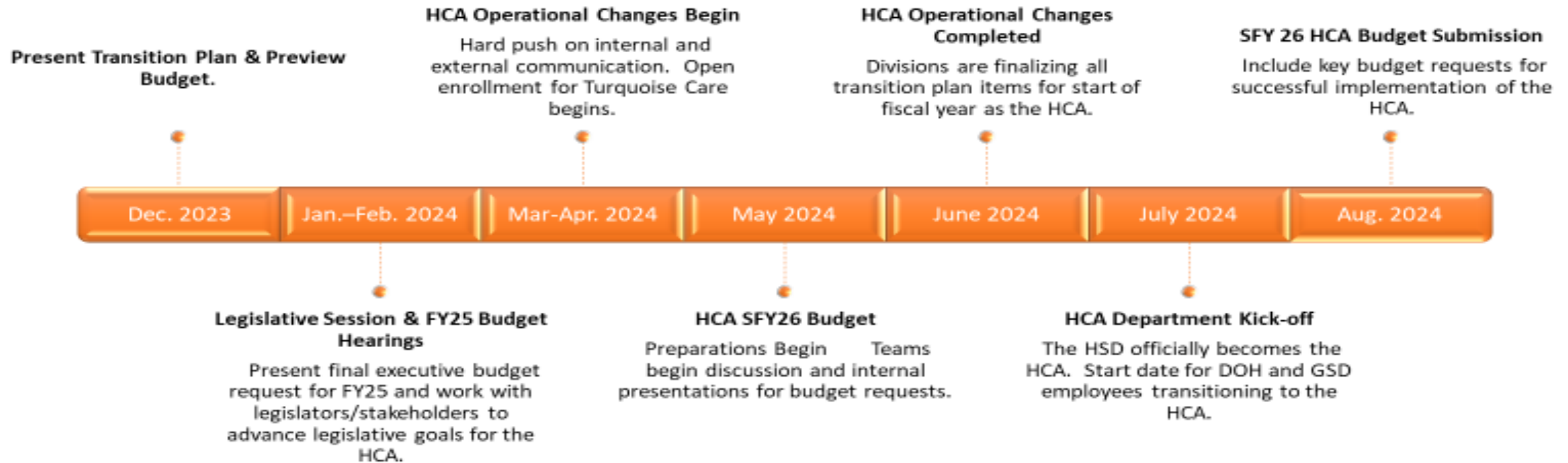
Identified New Mexico Statutes requiring amendments

Onboarding consultants to assist with transition and expertise



WORK IN PROGRESS

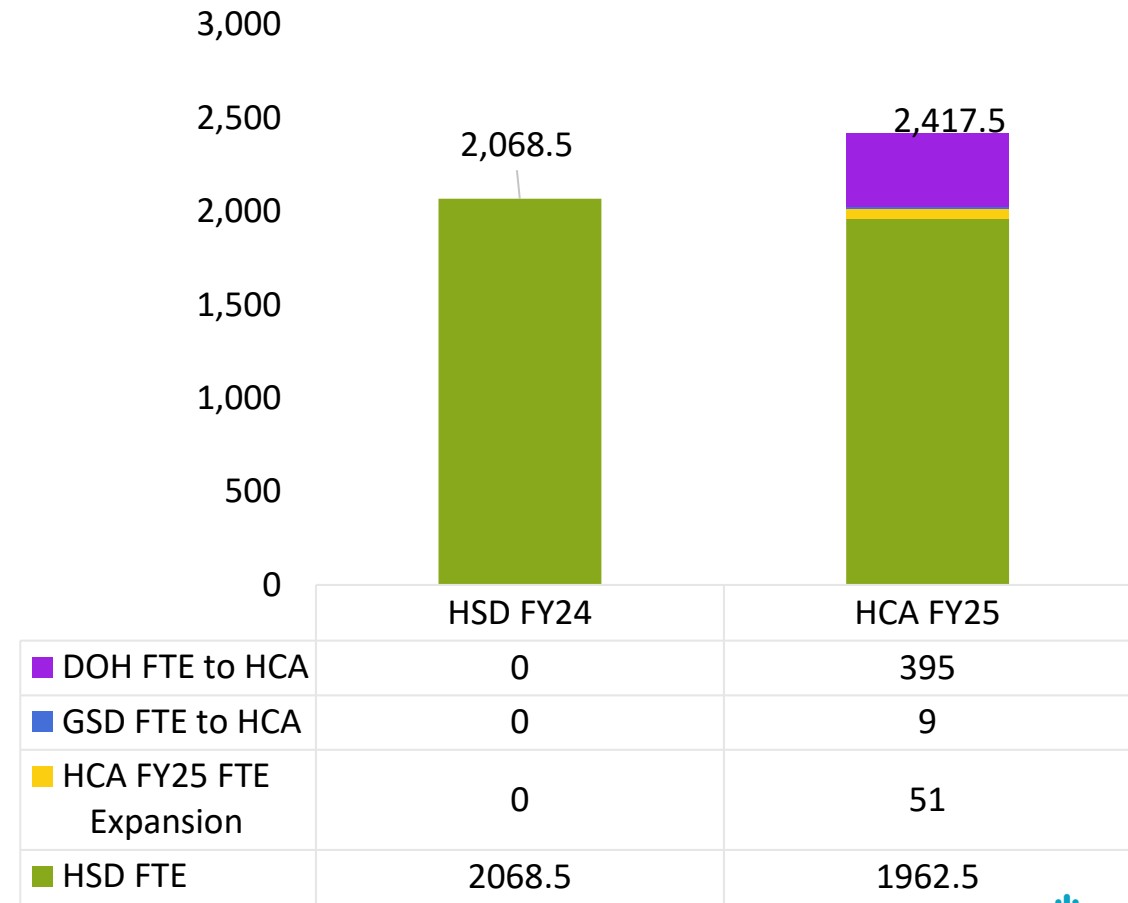
Health Care Authority Major Tasks



INAUGURAL HCA FY25 BUDGET REQUEST

- HCA inaugural FY25 budget request is \$12.8 billion (\$2.2 billion SGF, \$9.7 billion FF)
 - 16.0% increase over HSD’s FY24 Operating Budget (largely driven by moving DDSD to the HCA and program innovations in Medicaid, food assistance, and TANF)
 - Supports 2,417.5 FTE, including the transfer of 395 FTE from DOH and 9 FTE from GSD.
 - 51 new FTE (taken from existing HCA vacancies)
- Budget request includes:
 - Medicaid coverage and benefit innovations, including raising rates for primary care, BH and maternal/child care to 150% of Medicare;
 - Expansion of Supplemental Nutrition Assistance Program and Temporary Assistance for Needy Families; and,
 - Foundational establishment of HCA, including transition of units from GSD and DOH, and adequate program support staff to ensure quality and accountability.

FY24 HSD & FY25 HCA FTE





HEALTH CARE AUTHORITY



THANK YOU & QUESTIONS

INVESTING FOR TOMORROW, DELIVERING TODAY.



HEALTH CARE AUTHORITY



APPENDIX

INVESTING FOR TOMORROW, DELIVERING TODAY.



Kari Armijo
Cabinet Secretary Designate
Kari.Armijo@state.nm.us
505-249-8773



Alex Castillo Smith
Dep. Cabinet Secretary
Alex.CastilloSmith@hsd.nm.gov
505-629-8652



Kathy Slater-Huff
Acting Dep. Cabinet Secretary
Katherine.Slater-Huff@hsd.nm.gov
505-570-7268



Lorelei Kellogg
Acting Medicaid Director
Lorelei.Kellogg@hsd.nm.gov
505-629-2938



Nick Boukas
Behavioral Health Services Division
Director
Nick.Boukas@hsd.nm.gov
505-538-0121



Karmela Martinez
Income Support Division Director
Karmela.Martinez@state.nm.us
505-660-7452



Betina McCracken
Child Support Services Division
Director
Betina.McCracken@state.nm.us
505-699-4675



Paula Morgan
Information Technology Division
Director
Paula.Morgan@hsd.nm.gov
505-231-7892



Carolee Graham
Administrative Services Director
carolee.graham@state.nm.us
505-490-1055



John Emery
Acting General Council
John.Emery@hsd.nm.gov
505-699-5073



Yolonda Joiner
Human Resources Director
Yolonda.joiner@hsd.nm.gov
505-469-3388



Marina Piña
Communications Director
marina.pina@state.nm.us
505-670-3264



Shelly Begay
HSD Tribal Liaison
Shelly.Begay@state.nm.us
505-470-2731



Sally Jameson
Project Manager
Sally.Jameson@hsd.nm.gov
505-795-1880



Ryan O'Connor
Project Manager
Ryan.O'Connor@hsd.nm.gov
505-629-7336
Investing for tomorrow, delivering today.

