

**2010 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE**

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Work Plan and Focus for 2010

The Legislative Health and Human Services Committee (LHHS) will concentrate on two major areas of focus this interim: the state's implementation of its response to the federal Patient Protection and Affordable Care Act of 2010 (PPACA) and changes to the state's Medicaid program. In addition, the committee will provide input on the state's efforts to examine possible restructuring opportunities as they relate to health and human services agencies and services. In doing so, the committee will review the agencies' missions, their critical core functions, their staffing and program needs and efficiencies that may be achieved. It will provide input on the Interagency Behavioral Health Purchasing Collaborative's (IBHPC's) request for proposals (RFP) and contract negotiations for a new statewide behavioral health entity. The committee will meet its statutory obligation to provide oversight of the Human Services Department (HSD); the Department of Health (DOH); the Aging and Long-Term Services Department (ALTSD); the Children, Youth and Families Department (CYFD); and the Workforce Solutions Department (WSD) as well.

In its review of the state's implementation of PPACA provisions, the committee will receive the recommendations of the Health Care Reform Working Group formed this year pursuant to Senate Joint Memorial 1 and the Governor's Health Care Reform Leadership Team formed in April 2010 pursuant to Executive Order 2010-012.

In light of the nearly unprecedented demands for timely action by the committee on these matters, the committee requested permission to hold monthly three-day meetings through the interim.

Organizational Meeting

In order to inform its subsequent discussions of health care reform and Medicaid changes, the committee heard an overview of the PPACA and received testimony regarding progress to date from the chair of the Health Care Reform Working Group. The committee requested and received an update from the HSD on its proposals regarding changes to Medicaid.

Departmental Oversight

In its statutory oversight role, the committee will hear testimony from the HSD, DOH, ALTSD, CYFD and WSD on the impact that recent budget cuts have had in achieving their missions. The committee will request information on what changes to programs and services the departments are considering in order to comply with the provisions of PPACA and what efforts these departments have taken to seek alternative sources of funding through the PPACA, the federal American Recovery and Reinvestment Act of 2009 and other funding opportunities. Where cuts have been made to programs and services, the committee will provide input as to prioritization and measures to hold the affected constituencies harmless. The committee will also request recommendations from the departments regarding any restructuring or consolidation of functions.

Behavioral Health

The committee was very active in the 2009 interim in demanding a timely and adequate response to many complaints that its members and other legislators received regarding the new statewide entity contract with OptumHealth. Since then, OptumHealth has been placed on a corrective action plan, on which the committee will hear reports by the IBHPC. The IBHPC has issued a new RFP for a new statewide entity, and in light of the challenges presented by the last two statewide entity contracts, the committee will review and provide recommendations for a statewide entity contract that would make the entity accountable for specific measurable criteria and provide the state definite recourse for corrective action in the event of breach. The IBHPC has offered to delay its RFP process to allow the committee this input. Furthermore, the committee will receive the DOH's report on residential behavioral health facilities pursuant to House Joint Memorial 34 (2010).

State Response to PPACA and Proposed Medicaid Changes

The health care reform measures that the state must consider involve extremely short time lines set by Congress. These short time lines are exacerbated by the need for the state legislature to draft and fully vet any responsive legislation within the long-session/short-session cycle. Consequently, 2011 will be a crucial year for the introduction of legislation intended to implement some of the programs and policies that must be in place as early as January 1, 2014. To facilitate its consideration of health care reform measures, the committee is seeking monthly testimony to hear recommendations from the Health Care Reform Working Group.

As the committee charged with oversight of the agencies and programs that must implement or be created in response to the PPACA, the committee presents one of the only forums for the legislature to ensure adequate and timely implementation. Its members can expect to be called upon to introduce or review much of the legislation necessary to the PPACA's implementation in the state. This legislation will likely include extensive changes to the health insurance statutes, including but not limited to those relating to rating factors; guaranteed issue; preexisting conditions exclusions; medical-loss ratios; and coverage of dependents. The state faces the enormous task of creating an ombudsman's office and, moreover, a health insurance exchange. The exchange will be charged with acting as a central clearinghouse assisting individuals and small businesses to purchase health insurance coverage — both private and public. This means that the exchange will have to provide consumer information, enrollment assistance and an interface between state and federal public programs such as Medicaid, the Children's Health Insurance Program, the State Coverage Insurance and premium assistance, as well as private products. The committee will review the state's two-tiered high-risk pool and plans for assisting individuals covered in these pools to transfer to other coverage pursuant to the PPACA's reforms.

New Mexico will have to consider opportunities afforded in the PPACA to create or participate in entirely new insurance products, such as consumer-operated oriented plans (CO-OPs) and nonprofit nationwide plans to be offered through the state's exchange. The state will have to consider whether or not to enter into health care choice compacts, as well as its role in maintaining the PPACA-mandated role of maintaining a level playing field both for nonprofit and private health insurers. The committee will receive the Health Care Reform Working Group's recommendations on these matters, to consult with the Governor's Health Care Reform Leadership Team and to review any available actuarial studies in its deliberations upon the course of any legislative action in response to these demands.

Health insurance ratemaking will have to be considered in detail, given that health insurers are expected to bring rate increases before the Insurance Division of the Public Regulation Commission in response to the PPACA. Many members of the committee have been contacted by constituents concerned about this issue in general, and specifically regarding the recent rate hike of individual plans by Blue Cross Blue Shield of New Mexico. The committee will have to balance the need for having a multitude of solvent plans available throughout the state with concerns over the public's ability to pay continued increases. This will require expert testimony as well as actuarial analyses.

Another issue regarding insurance facing the committee is the fact that the PPACA's insurance reforms mostly do not affect "grandfathered" plans — those in effect prior to the March 23, 2010 signing of the PPACA. The committee will review the existing state law in order to maintain provisions relevant to grandfathered plans while updating the law to reflect those plans affected by the PPACA.

Medicaid and Other Public Programs

Budget shortfalls and the PPACA's changes to federal matches, maintenance of effort requirements and extensive changes to the state's public programs will require considerable

review by the legislature. The state will have to consider how to keep as many New Mexicans covered as possible while maximizing federal dollars. The committee will receive recommendations from the secretary of human services, the Health Care Reform Working Group, the Governor's Health Care Reform Leadership Team and other experts.

Health Care Work Force

In a climate where many additional New Mexicans are expected to obtain health insurance coverage, the shortfall in the state's supply of health care professionals will become a crucial issue in access to care. The PPACA contains many provisions relating to a health care work force. The PPACA's reimbursement reform and other related provisions will have an impact on providers, which the committee will discuss. There are also many grants and other incentive programs to develop the work force. The committee will review the plans that state agencies and educational institutions have for maximizing these federal dollars to address the shortfall. This review includes receiving reports from the task force, which has been meeting pursuant to House Memorial 50 (2010) on a statewide nursing education plan. It also includes reporting from state universities, the DOH and the Higher Education Department regarding their efforts to recruit, train and retain health care professionals.

Information Technology, Data and Reporting

Key to implementing the PPACA and Medicaid changes will be the collection and dissemination of data regarding health care infrastructure; the work force; insurance coverage, financing and other important factors in health care coverage; and delivery matters. The committee will hear testimony from the Health Care Reform Working Group, the Department of Information Technology, the HSD, the DOH and the Insurance Division of the Public Regulation Commission regarding their information technology capabilities and needs in hopes of outlining a clear strategy for meeting the state's needs.

Quality, Transparency and System Reform

The committee will hear testimony on the PPACA's quality and transparency measures, as well as testimony regarding possible savings for the state's Medicaid program and health care costs overall by examining measures for increasing health care quality, transparency and delivery systems. This will include opportunities to explore models such as accountable care organizations, reimbursement restructuring consistent with policy priorities and delivery models such as medical-home extensions, the use of PPACA funds to promote primary care and community-health and school-based health centers. It will also entail further examination of public health, environmental health, prevention, wellness and disease management programs as they are addressed in the PPACA and elsewhere.

Long-Term Care

The PPACA offers many opportunities for the state to increase community-based long-term care for aged and disabled populations, including individuals with developmental disabilities. These opportunities include federal demonstration projects, increased funding for the Money Follows the Person initiative, the Community First Choice option for community-based services through an amendment to the state's Medicaid plan; and the federal Community Living Assistance

Services and Supports (CLASS) Act provisions for long-term care insurance. The committee has already expressed a great deal of concern regarding the first year of implementation of the Coordinated Long-Term Services (CoLTS) program, and these additional health reform provisions will be important when lawmakers consider the future of CoLTS.

Disabilities Concerns Subcommittee

Members

Sen. Nancy Rodriguez, Chair

Sen. Rod Adair

Sen. Mary Kay Papen

Rep. Keith J. Gardner

Rep. Antonio Lujan

Rep. Danice Picraux

Senate Bill 264 (2010) created a permanent, six-member, bicameral interim Disabilities Concerns Subcommittee of the Legislative Health and Human Services Committee, charged with continuing a study of the programs, agencies, policies, issues and needs relating to individuals with disabilities, including review and study of the programs, statutes, constitutional provisions, regulations and court decisions governing programs, agencies and issues relating to individuals with disabilities. In a one-day meeting during the interim, the subcommittee will examine the status of the guardianship alliance, adult protective services and the impact of cuts to the developmental disabilities waiver program and departments' responses to federal incentives to implement the Money Follows the Person in New Mexico Act. It will receive reporting pursuant to House Memorial 56 (2010), which seeks to reduce the incidence of brain injury among athletes by mandating certain protocols in school athletic activities, regarding direct caregiver training and reporting pursuant to Senate Bill 1 (2010).

**Legislative Health and Human Services Committee
2010 Approved Meeting Schedule**

<u>Date</u>	<u>Location</u>
June 2*	Santa Fe
July 6-8	Santa Fe
August 2-4	Santa Fe
August 31-September 1	Santa Fe
October 4-6	Santa Fe
November 8-10	Santa Fe

Disabilities Concerns Subcommittee

August 30	Santa Fe
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