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AN ACT

RELATING TO HEALTH; DIRECTING THE HUMAN SERVICES DEPARTMENT TO  
INITIATE THE STUDIES, ANALYSES AND PILOT PROJECTS RECOMMENDATIONS  
OF THE MEDICAID REFORM COMMITTEE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. STUDIES--ANALYSES--PILOT PROJECTS.--

A. The human services department shall, to the extent possible, carry  
out the studies, analyses and pilot projects recommended by the medicaid reform  
committee that was established pursuant to Laws 2002, Chapter 96 as follows:

(1) conduct a cost-benefit analysis of the carve out of the  
pharmacy drug benefit from the managed care system to a centralized administration  
of the benefit for the managed care system and the fee-for-service system;

(2) conduct:

(a) a comprehensive feasibility study and cost-benefit  
analysis of the replacement of the managed care system required pursuant to Section  
27-2-12.6 NMSA 1978 with a statewide primary care case management model that  
assigns responsibility for care coordination to primary care providers and includes a  
medical and utilization review component designed to assist primary care providers in  
case management and that reimburses providers for these additional responsibilities  
and establish an ongoing evaluation of the primary care case management model's  
cost-effectiveness; or

(b) a pilot project for a primary care case management  
model for the fee-for-service population, or a selected subpopulation, that: 1) assigns  
responsibility for care coordination to primary care providers; 2) includes a medical  
and utilization review component designed to assist primary care providers in case  
management; and 3) reimburses providers for these additional responsibilities and  
evaluates the effectiveness of the pilot project;

(3) conduct:

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- 1 (a) a cost-benefit analysis and comparison of  
2 nonemergency transportation services under a state-managed model, brokerage  
3 models and other models; or  
4 (b) conduct a pilot project in a rural area and in an  
5 urban area for nonemergency transportation services for selected medicaid recipients  
6 in the fee-for-service system;
- 7 (4) complete the analysis necessary for the global funding  
8 waiver currently in process in the department and review cost and effectiveness  
9 projections to determine whether the department should proceed with a request to the  
10 federal government for the waiver;
- 11 (5) conduct a cost-benefit analysis and comparison of the  
12 personal care option's consumer-directed and consumer-delegated care components  
13 and evaluate the respective components for:
- 14 (a) cost-effectiveness as an alternative to or  
15 intermediate step before institutional care;
- 16 (b) projected long-term costs as currently operated;
- 17 (c) need for oversight to ensure appropriate care for  
18 recipients and prevention of fraud or abuse;
- 19 (d) the appropriateness of the eligibility criteria; and  
20 (e) anticipated savings, if any, with greater use of the  
21 consumer-directed or consumer-delegated model;
- 22 (6) identify options for revising, limiting, reducing or eliminating  
23 medicaid services, while ensuring that the most vulnerable medicaid recipients are not  
24 adversely affected, and determine the feasibility and advisability of a federal waiver to  
25 implement proposed medicaid service changes;
- (7) conduct an external analysis of selected medicaid  
prescription drug use in New Mexico with respect to trends in prescribing, utilization  
and costs and potential cost-savings initiatives;
- (8) determine the feasibility of a federal waiver to include in the

1    medicaid program persons currently served solely with state general funds through the  
2    health care programs and services of other agencies, including the department of  
3    health, the children, youth and families department and the state agency on aging;

4                                   (9) work with counties to determine the feasibility of a federal  
5    waiver to:

6   (a) include in the medicaid program persons who would  
7    qualify under the provisions of the Indigent Hospital and County Health Care Act;

8   (b) ensure that counties, in conjunction with the  
9    department, retain sufficient flexibility and accountability for the use of the county  
10   indigent hospital claims fund; and

11   (c) ensure that county funds for indigents not covered  
12   under the waiver are not diminished through its implementation; and

13   (10) work toward a self-directed care option in the disabled  
14   and elderly and the developmentally disabled medicaid waiver programs, subject to  
15   appropriation and availability of federal and state funds.

16                   B. The department shall, to the extent possible, combine or coordinate  
17   similar initiatives in this section or in other medicaid reform committee  
18   recommendations to avoid duplication or conflict.

19                   C. The department shall, to the extent permissible, apply for public and  
20   private grants or claim federal matching funds.

21                   D. If the funding is insufficient for all the initiatives in this section, the  
22   department shall prioritize the initiatives in conjunction with the appropriate legislative  
23   interim committee.

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