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FISCAL IMPACT REPORT

SPONSOR: Marquardt DATE TYPED: 03/17/03 HB 968/aHBIC

SHORT TITLE: Health Care Provider Licensing Task Force SB _____

ANALYST: Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From

Department of Health (DOH)
Health Policy Commission (HPC)

SUMMARY

Synopsis of HBIC Amendment

The House Business and Industry Committee amends the bill by inserting “Temporary Provision” for the heading in Section 1. The change in the heading is consistent with the language contained in the section.

Synopsis of Original Bill

House Bill 968 creates a health care providers licensing and credentialing task force under the New Mexico Health Policy Commission and would provide for the duties and the membership of the task force with a goal to study and make recommendations to consolidate and simplify health care licensure processes. HB 968 also would establish an information technology project manager and would authorize the use of funds to pay for information technology support.

- Section 1 includes findings of the House Joint Memorial 61 Subcommittee to study licensing of professionals and recommends that a system be produced that is satisfactory to all organizations with a primary goal of ensuring the health and safety of New Mexico residents.

- ❑ Section 2 has a duty for the task force to study and make recommendations to the Superintendent of Insurance on health care provider credentialing. It would assign participation on the task force to the Health Policy Commission and the Department of Health (DOH), along with a number of other licensing agencies and boards and associations. Section 2 also states that the Health Policy Commission, Board of Nursing and Board of Medical Examiners together would fund an information technology project manager to develop and implement a web site portal for licensure and a central database for credentialing of health care providers.
- ❑ Section 3 would require the Superintendent of Insurance to adopt rules to ensure third-party payer credentialing requirements.
- ❑ Section 4 would require the Human Services Department to negotiate with Medicaid contractors to coordinate credentialing of individual providers.
- ❑ Section 5 would amend Section 61-3-27-1, NMSA 1978, to allow the Board of Nursing to expend funds to support the information technology project.
- ❑ Section 6 would amend Section 61-6-31.1 NMSA 1978, to allow the Board of Medical Examiners to expend funds for the information technology project.

Significant Issues

A House Joint Memorial 61 Subcommittee met in 2002 to study problems of health care provider credentialing. The goal was to look at ways to reduce duplication and unnecessary delays in the licensing and credentialing process. The HJM 61 Committee recommended the creation of a task force to continue the work that has been accomplished. The Health Policy Commission was responsible for staffing the HJM 61 Committee. HB 968 would create the recommended task force.

Credentialing of physicians and other health care providers can be delayed for extremely long periods. There are many different licensing boards and agencies within the State. The goal of the task force would be to bring everyone together to find ways to eliminate duplication and delays. Providing a system of licensure and credentialing of health care providers that allows for a one-time application effort by the provider across professions and for multiple systems of care would increase efficiency for both the provider and the licensing agencies. By improving the efficiency of the system, it is projected that there will be a cost and time savings to patients and third-party payers.

FISCAL IMPLICATIONS

Fiscal implications to the HPC are relatively limited – existing staff resources can be re-prioritized to carry out this project.

The HPC is to work with the Board of Medical Examiners and the Board of Nursing to hire an information technology project manager to design, implement and maintain the web portal and database for credentialing of health care providers. The Board of Medical Examiners and the Board of Nursing shall authorize expenditures from their respective cash balances to pay for the manager and the development, implementation and maintenance of the web site portal.

The Board of Nursing has requested \$25,000 out of the cash balance to work with the HPC and the Board of Medical Examiners to hire an information technology project manager.

ADMINISTRATIVE IMPLICATIONS

The DOH would need to be represented on the task force for each of the different licensing functions including the Injury Prevention/EMS Bureau, Family Health Bureau, Office of Rural Health, and others. This could be managed within current resources.

There are significant performance implications for the HPC. To effectively respond to HJM61 last year, the HPC assigned three staff to the project, one lead and two assisting. In addition, the Director and Deputy Director were involved with the full HJM61 Task Force meetings and final reports to the LHHS.

The Board of Nursing participated on HJM61 task force last year. A staff member or board member would be able to participate on the task force again this year. Staff time would also be required to oversee the manager, give input for an evaluation of current system and make recommendations for the development of the portal. Staff time would also be required to monitor the contract.

RELATIONSHIP

HB 968 relates to SB 269, which would prohibit professional licensing boards from issuing temporary or emergency licenses to practice prior to issuance of a regular license.

TECHNICAL ISSUES

HSD concern with HB 968 is that it requires the task force to make recommendations to the Superintendent of Insurance on health care provider credentialing issues and give the Superintendent the authority to adopt rules concerning these critical issues. It is highly inappropriate and possibly a conflict of interest for the Superintendent of Insurance to be charged with these tasks and granted this authority. Professional health care licensing should be the province of the relevant medical boards, not of a government agency that regulates a profit-making industry. The subject matter over which the Superintendent of Insurance has supervisory authority concerns the licensure of insurance agents, insurance agencies and insurance companies, not health care practitioners.

HB 968 would require HSD to "negotiate with Medicaid contractors to ensure that the contractors' credentialing requirements are coordinated with other credentialing processes required of individual providers." This provision would require HSD to engage in a level of oversight and micro-management of its providers that would be intrusive to the providers' business and would not be cost effective for the Department.

OTHER SUBSTANTIVE ISSUES

The current health professional workforce shortage is reaching crisis level. According to the New Mexico Health Policy Commission's Quick Facts 2001 Report, the 4% population growth in the state from 1999 to 2000 did not impact New Mexico's low ratio of health care providers to residents. Most counties in New Mexico contain areas of designated health care provider shortage. Present onerous and inefficient credentialing processes discourage recruitment for and efficient use of health care providers in all of New Mexico.

Safety net providers (e.g. primary care centers, rural hospitals, community mental health centers,

etc.) rely on temporary licensure to assure access to care and maintenance of clinical services. The DOH contracts with more than 75 community-based primary care centers in under-served areas. An efficient coordinated system of licensure and credentialing would positively impact efforts to recruit and retain health professionals impacting health disparities of vulnerable recruitment populations. HB 968 would support the DOH in helping to meet the needs of the State's health care safety net.

For the State, as for hospitals and MCOs, the duplication and redundancy is costly and inefficient. For the health care professional, the paperwork alone can be overwhelming, and the waiting time can be economically difficult. The burden created by these processes can be so great as to be a disincentive for health care providers to locate and practice in New Mexico, which defeats the original purpose of both licensing and credentialing.

In response to HJM 61, the HPC conducted a study of licensing and credentialing in the state that included a review of what other states are doing on this front, and what some state agencies and organizations have already done to try to streamline their own processes.

The HPC has an additional reason for supporting the web portal and the database. The HPC is statutorily mandated to collect and assess information about health professionals in New Mexico, and about access to health care. Currently, each board keeps its records in somewhat different ways, which makes creating a uniform data source very difficult. As a result, the HPC has had to conduct expensive surveys to reach the various categories of health professionals directly, in order to secure relatively basic information. The data base and web site portal envisioned in HB968 would make the HPC's job of data collection much more efficient and effective, and allow the agency to spend more of its resources on analysis and health policy recommendations.

AMENDMENTS

- (1) Eliminate the requirements that the task force make recommendations to the Superintendent of Insurance and that the Superintendent adopt rules concerning those recommendations.
- (2) Eliminate the requirement that HSD negotiate with Medicaid contractors to ensure that the contractors' credentialing requirements are coordinated with other credentialing processes required of individual providers.

BD/njw:yr