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SENATE BILL 317

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

INTRODUCED BY

Dede Feldman

AN ACT

RELATING TO PUBLIC ASSISTANCE; ENACTING A NEW SECTION OF THE PUBLIC ASSISTANCE ACT; DIRECTING THE SECRETARY OF HUMAN SERVICES TO ESTABLISH AN "ACCOUNTABLE CARE ORGANIZATION DEMONSTRATION PROJECT TASK FORCE" TO STUDY THE FEASIBILITY AND PARAMETERS OF AN ACCOUNTABLE CARE ORGANIZATION DEMONSTRATION PROJECT FOR MEDICAID, STATE CHILDREN'S HEALTH INSURANCE PROGRAM AND STATE COVERAGE INSURANCE PROGRAM RECIPIENTS.

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

SECTION 1. Section 27-2-1 NMSA 1978 (being Laws 1973, Chapter 376, Section 1) is amended to read:

"27-2-1. SHORT TITLE.--Sections [~~1 through 20 of this act and Sections 13-1-9, 13-1-10, 13-1-12, 13-1-13, 13-1-17, 13-1-18, 13-1-18.1, 13-1-19, 13-1-20, 13-1-20.1, 13-1-21, 13-1-22, 13-1-27, 13-1-27.2, 13-1-27.3, 13-1-27.4, 13-1-28,~~

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1 ~~13-1-28.6, 13-1-29, 13-1-30, 13-1-34, 13-1-35, 13-1-37,~~
2 ~~13-1-39, 13-1-40, 13-1-41 and 13-1-42 NMSA 1953]~~ 27-2-1 through
3 27-2-34 NMSA 1978 and Section 2 of this 2012 act may be cited
4 as the "Public Assistance Act"."

5 SECTION 2. A new section of the Public Assistance Act is
6 enacted to read:

7 "[NEW MATERIAL] ACCOUNTABLE CARE ORGANIZATION
8 DEMONSTRATION PROJECT TASK FORCE.--

9 A. By July 1, 2012, the secretary shall convene an
10 "accountable care organization demonstration project task
11 force" and work with representatives from the department, the
12 university of New Mexico health sciences center, managed care
13 contractors, a nonprofit primary care organization and others
14 as the secretary deems necessary to devise a strategic plan for
15 implementing an accountable care organization demonstration
16 project pursuant to a prospective federal waiver. The task
17 force shall devise a two-year strategic plan and report on the
18 plan to the legislative health and human services committee and
19 the legislative finance committee by August 1, 2013. The
20 strategic plan shall contain recommendations regarding:

21 (1) the feasibility of implementing a
22 financial model for an accountable care organization that
23 provides incentives to medicaid health care providers to
24 improve health outcomes and reduce per capita costs in the
25 accountable care organization;

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1 (2) the parameters of risk in a regional or
2 community-based accountable care organization;

3 (3) the role of managed care contractors in
4 providing administrative and other services to successfully
5 implement the demonstration project;

6 (4) the utilization of care and case
7 management, whereby the demonstration project incorporates the
8 following:

9 (a) incentives for the promotion of a
10 comprehensive health care system in which a recipient has a
11 primary health care or social service provider who advocates
12 for and provides ongoing support, oversight and guidance to
13 implement an integrated, coherent, cross-discipline plan for
14 ongoing health care and service delivery that is developed in
15 partnership with the recipient and that includes all other
16 health care and social service providers furnishing care to the
17 recipient;

18 (b) health system utilization management
19 that is designed to assure appropriate access and utilization
20 of services, including specialty and hospital care and
21 utilization of prescription drugs;

22 (c) health risk or functional needs
23 assessments for recipients;

24 (d) a method for reporting on the
25 effectiveness of the demonstration project and its effect upon

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1 recipients' utilization of health care services and the
2 associated costs of utilization of those services;

3 (e) mechanisms to reduce inappropriate
4 emergency department utilization by recipients;

5 (f) mechanisms that ensure a robust
6 system of care coordination for assessing, planning,
7 coordinating and monitoring recipients with complex, chronic or
8 high-cost health care or social support needs, including
9 attendant care and other services needed to enable recipients
10 to remain in the community;

11 (g) a comprehensive, community-based
12 initiative to educate recipients about effective use of the
13 health care delivery system, including the use of community
14 health workers or promotoras;

15 (h) strategies to prevent or delay
16 institutionalization of recipients through the effective
17 utilization of home- and community-based support services; and

18 (i) any other components that the task
19 force determines will improve a recipient's health outcome and
20 that are cost-effective;

21 (5) promotion of the health commons model of
22 integrated primary care, specialty, behavioral and dental
23 health care services, including telehealth services;

24 (6) incentives for encouraging longer hours
25 for primary care services, including weekend and evening hours;

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1 and

2 (7) recommendations for designing and
3 implementing a comprehensive incentive and risk system whereby
4 providers of care in an accountable care organization receive
5 financial incentives for measurable improvements in the health
6 of their patients, including recommendations for quality
7 evaluation and measurement protocols and for increasing
8 community support for improving health care outcomes while
9 addressing the social determinants of health.

10 B. For fiscal year 2013, the department shall
11 specify in its contract with each managed care contractor that
12 the contractor allocate funds for the operation of the task
13 force pursuant to Subsection A of this section.

14 C. For the purposes of this section:

15 (1) "accountable care organization" means a
16 set of providers associated with a defined population of
17 patients that is accountable for the quality and cost of care
18 delivered to that population;

19 (2) "managed care contractor" means a managed
20 care organization that provides the health care benefits, items
21 and services to recipients under the state's medicaid program,
22 state children's health insurance program or state coverage
23 insurance program; and

24 (3) "primary care provider" means a nonprofit
25 community-based entity that provides, or commits to provide,

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1 comprehensive primary health care services, including a
2 federally qualified health center or a facility serving
3 primarily low-income populations."

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