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HOUSE BILL

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

DISCUSSION DRAFT

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

AN ACT

RELATING TO PUBLIC ASSISTANCE; 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 IN HIDALGO COUNTY.

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

SECTION 1. TEMPORARY PROVISION--ACCOUNTABLE CARE ORGANIZATION DEMONSTRATION PROJECT TASK FORCE.--

A. By July 1, 2011, the secretary of human services or the secretary's successor in interest shall convene an "accountable care organization demonstration project task force" and work with representatives from the human services

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1 department, the New Mexico health policy commission, the
2 university of New Mexico health sciences center, managed care
3 contractors, a nonprofit primary care organization and others
4 as the secretary deems necessary to devise a strategic plan for
5 implementing an accountable care organization demonstration
6 project in Hidalgo county pursuant to a prospective federal
7 waiver. The task force shall devise a two-year strategic plan
8 and report on the plan to the legislative health and human
9 services committee and the legislative finance committee by
10 August 1, 2012. The strategic plan shall contain
11 recommendations regarding:

12 (1) the feasibility of implementing a
13 financial model for an accountable care organization in Hidalgo
14 county that provides incentives to improve health outcomes and
15 reduce per capita costs in the accountable care organization;

16 (2) the parameters of risk in a regional or
17 community-based accountable care organization in Hidalgo
18 county;

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

22 (4) the utilization of care and case
23 management, whereby the demonstration project incorporates the
24 following:

25 (a) incentives for the promotion of a

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1 comprehensive health care system in which a recipient has a
2 primary health care or social service provider who advocates
3 for and provides ongoing support, oversight and guidance to
4 implement an integrated, coherent, cross-discipline plan for
5 ongoing health care and service delivery that is developed in
6 partnership with the recipient and that includes all other
7 health care and social service providers furnishing care to the
8 recipient;

9 (b) health system utilization management
10 that is designed to assure appropriate access and utilization
11 of services, including specialty and hospital care and
12 utilization of prescription drugs;

13 (c) health risk or functional needs
14 assessments for recipients;

15 (d) a method for reporting on the
16 effectiveness of the demonstration project and its effect upon
17 recipients' utilization of health care services and the
18 associated costs of utilization of those services;

19 (e) mechanisms to reduce inappropriate
20 emergency department utilization by recipients;

21 (f) mechanisms that ensure a robust
22 system of care coordination for assessing, planning,
23 coordinating and monitoring recipients with complex, chronic or
24 high-cost health care or social support needs, including
25 attendant care and other services needed to enable recipients

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1 to remain in the community;

2 (g) a comprehensive, community-based
3 initiative to educate recipients about effective use of the
4 health care delivery system, including the use of community
5 health workers or promotoras;

6 (h) strategies to prevent or delay
7 institutionalization of recipients through the effective
8 utilization of home- and community-based support services; and

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

12 (5) promotion of the health commons model of
13 integrated primary care, specialty, behavioral and dental
14 health care services, including telehealth services;

15 (6) incentives for encouraging longer hours
16 for primary care services, including weekend and evening hours;
17 and

18 (7) recommendations for designing and
19 implementing a comprehensive incentive and risk system whereby
20 providers of care in an accountable care organization in
21 Hidalgo county receive financial incentives for measurable
22 improvements in the health of their patients, including
23 recommendations for quality evaluation and measurement
24 protocols and for increasing community support for improving
25 health care outcomes while addressing the social determinants

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1 of health.

2 B. For fiscal year 2012, the human services
3 department shall specify in its contract with each managed care
4 contractor that the contractor allocate funds for the operation
5 of the task force pursuant to Subsection A of this section.

6 C. For the purposes of this section:

7 (1) "accountable care organization" means a
8 set of providers associated with a defined population of
9 patients that is accountable for the quality and cost of care
10 delivered to that population;

11 (2) "managed care contractor" means a managed
12 care organization that provides the health care benefits, items
13 and services to recipients in Hidalgo county under the state's
14 medicaid program, state children's health insurance program or
15 state coverage insurance program;

16 (3) "primary care provider" means a nonprofit
17 community-based entity that provides, or commits to provide,
18 comprehensive primary health care services for residents of
19 Hidalgo county, including a federally qualified health center
20 or a facility serving primarily low-income populations; and

21 (4) "recipient" means a person who is
22 receiving medical assistance under the Public Assistance Act.