Health Administration and Finance Consolidation Act

Moving From

Agency Administration	$ (in millions)	FTE	Year
Health Policy Commission	$ (0.2)	(2)	2011
Human Services Department			2011
Medical Assistance (inc. Beh Health)	$ (55.2)	(161)	
Behavioral Health Services	$ (4.1)	(26)	
Administrative Services	$ (0.6)	(8)	
Aging and Long Term Services			
Long Term Services	$ (3.0)	(32)	2013
Department of Health			
Medicaid waivers (except DD)	$ (0.6)	(8)	2013
Policy and Planning	$ (0.2)	(2)	2011
Public School Insurance Authority	$ (1.3)	(11)	2013
General Services Department			2013
Risk Management Division	$ (6.9)	(63)	
Retiree Health Care Authority	$ (2.7)	(25)	2013
Albuquerque Public Schools	$ (0.6)	(6)	2013
Subtotal Agency Administration	**$ (75.4)**	**(344)**	
Health Care Purchasing			
Medicaid (exc Beh Health)	$ (3,369.2)		2011
Behavioral Health Collaborative (BHSD, Medicaid, CYFD, etc)	$ (372.2)		2011
PSIA	$ (286.0)		2013
GSD/RMD	$ (365.0)		2013
RHCA	$ (230.0)		2013
APS	$ (57.0)		2013
Subtotal Health Care Purchasing	**$ (4,679.4)**		
Grand Total	**$ (4,754.8)**	**(344)**	

Moving To Health Policy and Finance Department

Agency Administration	$ (in millions)	FTE	Year
ASD, including office of the Secretary	$ 2.3	31	2011
Medical Assistance	$ 55.8	169	2011
Long Term Services	$ 1.5	16	2011
Health Policy and Planning	$ 0.7	6	2011
Behavioral Health Services	$ 4.1	26	2011
Public employee and retiree health division*	$ 7.3	69	2013
Subtotal Agency Administration	**$ 71.7**	**317**	
Health Care Purchasing			
Medicaid (exc Beh Health)	$ 3,369.2		2011
Behavioral Health Collaborative (BHSD, Medicaid, CYFD, etc)	$ 372.2		2011
PSIA	$ 286.0		2013
GSD/RMD	$ 365.0		2013
RHCA	$ 230.0		2013
APS	$ 57.0		2013
Subtotal Health Care Purchasing	**$ 4,679.4**		
Grand Total	**$ 4,751.1**	**317**	
Net Change	**$ (3.7)**	**(27)**	

#7

New Duties with Costs	Comments
• Study the Efficacy of managed care	Nonrecurring, indeterminate cost
• Study transfer of DD and ALTSD services	Nonrecurring, indeterminate cost
• Establish an "all payer" claims database	Nonrecurring and Recurring costs, potentially significant
• Establish a workforce database, provide data and health policy reports, as requested, and produce a statewide health plan	Additional recurring cost over current practice

Other Potential Savings	
• Efficiencies in Health Care purchasing	Could be significant savings, a 1 percent reduction in rates due to purchasing power could be $10 million per year
• Shared Administration	Could realize substantial savings from actuarial contracts, customer service function, financial audits, credentialing, utilization management, quality assurance, etc

Other Potential Costs	
• IT system Integration (IBAC)	Nonrecurring, potentially significant costs
• Moving Costs	

Notes

* Public employee and retiree health division is not specified in the bill
- Does not include savings and costs due to elimination and creation of boards and commissions
- Expenditures are based on adjusted FY11 operating budgets

#7

Implementation Timeline for Health Policy and Finance Department Act

July 1, 2011

- Provide Medicaid and Behavioral Health Services
- Operate Behavioral Health Collaborative
- Begin study regarding transfer of D/D waiver to HPFD
- Begin managed care cost-effectiveness and quality studies
- Perform health policy and planning functions
- Begin study to transfer IBAC
- Transfer provisions for medical assistance, behavioral health, health policy commission
- HPC repealed

Aug. 1, 2012

- IBAC makes recommendations on how to implement transfer of IBAC health coverage functions

Sept. 1, 2012

- Recommendations on transferring the D/D waiver to HPFD

Jan 1, 2013

- Begins purchasing health care benefits for IBAC agencies
- Administer long-term services programs
- Administer medically fragile and HIV/AIDS waivers
- Repeal Group Benefits Act, Retiree Health Care, PSIA and the Health Care Purchasing Act

Jan 1, 2014

- Implement all-payer claims database

Sept. 1, 2014

- Recommendations regarding the cost-effectiveness and quality of Medicaid managed care contracts