

FY10 Implemented/Pending Cost-Containment Activities

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Program Area	Activity	GF Savings (Range)	Current Status (as of 5/11/10)
General Benefit Reductions/ Restrictions	Require in-state facilities for appropriate services and use most cost-effective facilities for out-of-state care.	\$ 500.0 - \$ 900.0	Completed: 10/09
	Tighten vision benefits to every 3 years, instead of every 2 years, for adults.	\$ 100.0 - \$ 400.0	Completed: 5/10
	Eliminate coverage of bariatric surgery (gastric stapling, etc., for weight loss).	\$ 25.0 - \$ 100.0	Completed: 5/10
	Prohibit providers from automatically making routine medical supply shipments to recipients without verifying there is less than a 15-day supply at hand.	TBD	Completed: 5/10
	Assure that the MCOs have provisions to manage over-utilization through pharmacy protocols for individuals receiving five or more prescription drugs per month, using reasonable maximum cost levels.	\$ 75.0 - \$ 200.0	Target completion: 5/10
General Fund Savings (Range): \$700.0 - \$1,600.0			
Dental Benefit Reductions/ Restrictions	Raise the scale on orthodontics to make more restrictive.	\$ 350.0 - \$ 600.0	Completed: 1/10
General Fund Savings (Range): \$350.0 - \$600.0			
Long-Term Care Benefit Reductions/ Restrictions	Limit CoLTS outreach to individuals who are dually eligible.	\$ 15.0 - \$ 40.0	Completed: 10/09
	Implement paper assessments for annual PCO redeterminations.	\$ 10.0 - \$ 30.0	Completed: 11/09
	Eliminate installation fee for emergency response systems for long-term care clients.	\$ 10.0 - \$ 30.0	Completed: 4/10
	Reduce long-term care respite benefit by half. (Would lower benefit from 336 hours per year to 168 hours per year.)	\$ 200.0 - \$ 300.0	Completed: 5/10
	Reduce home environmental modification benefit to \$5,000 over 5 years, from current level of \$7,500 over 5 years. (Note: \$5,000 over 5 years is the national average for this benefit.)	\$ 50.0 - \$ 150.0	Completed: 5/10
	Eliminate nursing home bed hold days for non-emergency placement. (Modified to add back three home visits; kept hospitalization on up to six days and six days for community transition.)	\$ 2.0 - \$ 4.0	Target completion: 6/10
	Eliminate S5110 (consumer-directed training from agency hourly rate add-on) as a billable code under CoLTS. This eliminates the enhanced rate of \$40/hour for up to 8 hours per year for providing training to a consumer in consumer-directed model.	\$ 15.0 - \$ 21.0	Target completion: 6/10

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Long-Term Care Benefit Reductions/ Restrictions, cont.	Reduce G9006 (admin for CoLTS) from \$200 to \$100. This lowers the enhanced rate to providers for providing fiscal intermediary tasks in the consumer-directed model.	\$ 400.0 - \$ 450.0	Target completion: 6/10
	Tighten PCO regulations. (Limited to addressing the following areas: shared households; natural supports; and incorporating CoLTS system structure.)	TBD	Target completion: 6/10
	Equalize rates for respite and homemaker/PCO. (Upon review of rates within HCBS waiver programs, homemaker rates are still higher than respite.)	TBD	Target completion: 6/10
General Fund Savings (Range): \$702.0 - \$1,025.0			
Behavioral Health Benefit Reductions/ Restrictions	Eliminate the one-time non-recurring BH expansion from 2009.	\$ 1,500.0	Completed: 10/09
	Emergency regulation to restrict who can provide CCSS.	TBD	Completed: 1/10
	Implement better management of PSR and BMS, capping maximum limits week consistent with good program management.	\$ 200.0 - \$ 300.0	Completed: 5/10
General Fund Savings (Range): \$ 1,700.0 - \$1,800.0			
Insure New Mexico! Program Changes	Cease new enrollment of Molina/UNM SCI clients.	\$ 250.0 - \$ 400.0	Completed: 8/09
	Change the enrollment fee for PAM.	\$ 100.0 - \$ 200.0	Completed: 10/09
	Implement a waiting list for SCI individuals	\$ 2,800.0 - \$ 3,500.0	Completed: 11/09
	Change the state share of the premium amount for PAK to less than 50% (75/25)	\$ 25.0 - \$ 75.0	Completed: 1/10
	Remove the existing co-pay cap on prescriptions covered under SCI; institute different co-pays for generic and brand name drugs.	TBD	Completed: 1/10
General Fund Savings (Range): \$ 3,175.0 - \$4,175.0			
Rate Changes/ Reductions	Implement rate reductions for most providers.	\$ 3,000.0 - \$ 4,500.0	Completed: 12/09
	Revise radiology rates for outpatient hospital to equal Medicare rates.	\$ 2,800.0 - \$ 4,000.0	Completed: 12/09
	Reduce ARTC and RTC rates by 10%.	\$ 650.0 - \$ 850.0	Completed: 12/09
	Reduce PCO, nursing home and other waiver rates to eliminate payment for background checks.	\$ 25.0 - \$ 75.0	Completed for PCO
	Cost-settle drug items on outpatient.	\$ 61.0 - \$ 151.0	Target begin date: 5/10
General Fund Savings (Range): \$ 6,536.0 - \$9,576.0			

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Managed Care Efficiencies	Increase TPL activities.	\$ 50.0 - \$ 100.0	Completed: 12/09
	Reduce the MCO profit cap to 3%.	TBD	Completed: 4/10
General Fund Savings (Range): \$ 50.0 - \$100.0			
Fraud & Abuse	Increase fraud and abuse activities focusing on provider billing for DME, hospital billing, dental/orthodontia, and code "pair" violations.	TBD	In process; ongoing
General Fund Savings (Range): TBD			
Enrollment Changes	Limit outreach activities and reduce aggressive outreach. Cease all current data matches, scheduled enrollment events and existing outreach.	\$ 600.0 - \$ 800.0	Completed: 9/09
General Fund Savings (Range): \$600.0 - \$800.0			
Total General Fund Savings (Range): \$13,813.0 - \$19,676.0			