



District 1199 NM of the National Union of Hospital and Health Care Employees



Friday, July 15th, 2016

Senator Gerald Ortiz y Pino, Chair
Representative Nora Espinoza, Vice Chair
The Legislative Health & Human Services (LHHS) Committee
Room 322
State Capitol
Santa Fe, New Mexico 87501

Dear Senator Ortiz y Pino, Representative Espinoza, and Members of the Committee,

This is not a letter I am pleased to write, but it is a letter long overdue.

Last week you heard testimony from people of Las Vegas and neighboring communities respectfully begging for some action by their government to the growing problem of the loss of obstetric services at rural hospitals. District 1199 NM adds our collective voice to their concerns.

Our organization, representing employees of the local hospital, supported the efforts of citizens of San Miguel County and its' Commissioners in creating the task force you heard about yesterday.

You also heard from Jeff Dye of the New Mexico Hospital Association and two CEO's of northern New Mexico hospitals that they are financially challenged by the costs associated with recruiting and retaining OB/GYN doctors and other staff.

This is not a new problem.

Unfortunately, the legislature and the governor have not only known about it, but recently added to the problems hospitals (especially smaller hospitals serving rural populations) are having meeting the needs of patients.

As Mr. Dye and the CEO's pointed out the state's proposal to cut Medicaid reimbursements for hospitals and other providers will only make these matters worse.

Our organization stands firmly behind the people of Northern New Mexico, and all of New Mexico for that matter, in demanding of its' government policy makers that the time for finger pointing must give way to a time for action.

The cutbacks in Medicaid you as legislators demanded along with the governor in the FY 2017 budget, will result in cutting services. Instead of solving problems such as loss of OB/GYN services in rural areas, the budget language is making it impossible to help your constituents.

While there will be debate on whether or not to call a special session to deal with a withering revenue problem, the hospitals of this state submitted a positive proposal to greatly mitigate the shortfall in revenues that will adversely affect Medicaid reimbursements.

That proposal would assess fees on hospitals that would help prime the pump so to speak, and avoid the loss of about \$400 million in federal funding.

Yet legislators are not demanding that the governor step away from her opposition to what is essentially a plea from the very providers that will be assessed the fees to *'please assess us so we don't lose important federal reimbursement opportunities.'*

Ideology needs to be set aside for the purpose of addressing critical need. New Mexico is in a dangerous free fall that will result in more broken bones to its already fragile economic and social frame.

Advocates, including our employee organization, have provided very detailed comments and protests to the New Mexico Human Services Department (HSD) and the Centers for Medicare & Medicaid Services (CMS), asking that the proposed cutbacks be rejected.

As example the following paragraphs describing the loss of services at Alta Vista Regional Hospital (AVRH) and similar financial stress being placed upon Holy Cross Hospital (HCH) in Taos were included in District 1199 NM's thirteen page protest as a critical reason to reverse the legislature's mandates to cut hospital and other provider rates:

"The proposed cuts will also interfere with efforts to recruit needed providers, which is already a problem for rural hospitals in particular. Case in point is the recent abrupt closure of the Obstetrics unit at the Alta Vista Regional Hospital which serves a rural population comprised of significant numbers of beneficiaries of Medicaid in Northeastern New Mexico.

"The hospital which serves another Northern New Mexico population in greater Taos is also faced with significant fiscal issues which could lead to a reduction in needed services to the general population of which there is a high (and still increasing) number of Medicaid beneficiaries. Holy Cross Hospital is seriously reviewing plans to convert to a Critical Access Hospital (CAH) due to financial strain which is definitely complicated by the HSD SPA."

At the LHHS hearing you also heard from AVRH CEO Chris Wolfe about the difficulty in retaining and recruiting OB/GYN personnel, and you heard from HCH CEO Bill Patten about the potential loss of the same services (already reduced to one OB/GYN provider) in another rural community, Taos.

As legislators and governor it is imperative that you collectively fix these problems. Saying that there are not enough resources available is not an answer the public can or will accept.

In addition to the hospitals' proposal for an assessment there are efforts being made by advocacy organizations and average citizens to identify resources and the potential realignment of so-called economic development tools the state currently offers to other industries, but does not provide to the only industry showing growth in New Mexico – the healthcare industry.

The fact that more than 4,000 jobs have recently been created in healthcare, and the fact state government has chosen to reduce almost one half a billion dollars in support of that industry while all other industries are failing in job growth (and yet continue to receive essentially special interest treatment by the legislature and the governor), is evidence enough that government policymakers have failed to match resources to results – policymakers are actually rewarding the interests who did not make good on their promises to grow jobs.

Legislators want a better New Mexico. You are well intentioned and good people ... I know that very well. But legislators need to do more than listen to the people about the problems similar to what you heard last week in Las Vegas.

Collectively, all of you need to do something. Please demand a special session and pass the hospitals' proposal as a first step in righting the ship. Then let's all look together at the advantages given to special industries that promise jobs and assess if the special treatment they receive actually creates jobs – the healthcare industry has proven it is creating jobs, for local people. Maybe it is time to reapportion resources. As I wrote above, advocates for a better state are looking at ways to change. We beg you to take the lead ... your constituents deserve that from their representatives in state government.

Sincerely,



Lorie MacIver, BSN, RNC
President, District 1199 NM of the
National Union of Hospital and Health Care Employees
Lorie@district1199nm.org

Cc – Members of the Health and Human Services Interim Committee:

Representative Deborah A. Armstrong, Member
Representative Miguel P. Garcia, Member
Senator Gay G. Kernan, Member
Representative Tim D. Lewis, Member
Senator Mark Moores, Member
Senator Benny Shendo, Jr., Member
Senator Sue Wilson Beffort, Advisory
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