



2013 HEALTH CARE INTERIM LEGISLATIVE AGENDA

ACI'S MISSION

The mission of the Association of Commerce & Industry is to enrich the lives and prosperity of New Mexicans through a vibrant business climate by effective advocacy and education.

2013 INTERIM LEGISLATIVE POSITIONS

HEALTHCARE

ACI SUPPORTS:

- **Medicaid reform.**
- Creation of a New Mexico healthcare insurance exchange that meets New Mexico's needs.
- Focus on health care delivery improvement.

DETAILED POSITION STATEMENTS ON 2013 INTERIM LEGISLATIVE AGENDA

HEALTHCARE

Medicaid Reform

ACI recognizes the necessity of Medicaid reform. With Centennial Care and the waiver application, the status of Medicaid Reform is currently fluid. ACI remains an interested observer and encourages the state to create forums and opportunities to discuss initiatives and respond to proposals. Medicaid is struggling to keep up with enrollment growth and rising healthcare costs, while facing a constrained spending environment at the state and federal level. It must improve patient outcomes, promote wellness and provide cost efficiencies, while continuing to maximize the federal funds that are critical to New Mexico's health and economy.

The Medicaid Redesign implementation should:

1. Recognize the economic impact of Medicaid and its critical role in sustaining the entire state's healthcare delivery system, as Medicaid covers 26% of New Mexicans today, and is projected to cover 32% in 2014; aim to contain the rate of cost growth, rather than to reduce or freeze spending;
2. Maintain a strong network of providers, which is key to everyone's access to quality healthcare, by offering realistic reimbursement rates that take into account the rising cost of labor as well as state and federal mandates (e.g. the upcoming mandate to provide health benefits); improve access to care for underserved areas through tele-health and the full utilization of all providers' potential scope of practice;
3. Reduce legal and regulatory obstacles to the adoption of cost-saving practices (e.g. provider liability issues, HIPAA standards, federal Medicaid requirements, state processes for developing and enforcing regulations); and
4. Seek to maximize federal dollars, given state spending constraints; actively solicit appropriate grants and waivers; leverage all possible state and local government dollars.
5. Revamp Medicaid information systems to increase timeliness, accuracy, transparency and accountability; better inform policy decision-makers; and measure results.

Cost management should not rely on:

1. Broad-based cuts in provider reimbursement rates;
2. Excessive pressure on contracted managed care organizations;
3. Cutting eligibility for current beneficiaries or future PPACA low-income adult eligibles; or
4. Harmful reductions in benefits, or the elimination of services which can prevent more costly health problems in the long term (e.g. dental care).

Cost management strategies should include:

1. Improving chronic disease management programs, i.e. personal health coaching and care coordination for the 20% of beneficiaries who drive 80% of medical utilization;
2. Implementing culturally appropriate wellness and prevention programs to teach the benefits of better lifestyle choices, focusing on individuals at risk of falling into the high utilization group;
3. Incentivizing best practices and quality of care metrics;
4. Tailoring benefits based on individual need (e.g. weekly hours in Personal Care Option);
5. Reducing regulatory burdens that drive up costs (e.g. clinical documentation and reporting requirements); reforming the development and enforcement of state regulations (e.g. through an Administrative Procedures Act);
6. Developing reimbursement policies that encourage the use of the most cost-effective providers and treatment modalities
7. Increasing personal responsibility by:
 - o Educating beneficiaries about the cost of their medical treatment;
 - o Rewarding improved lifestyle choices;
 - o Promoting the appropriate use of healthcare services, i.e. seeking treatment when needed, selecting appropriate providers, and keeping scheduled appointments; and
 - o Designing a better collection mechanism for co-pays (often written off by providers)
8. Making more wide-spread and coordinated use of information technology, including personal health records, e-prescribing, clinical decision support systems, public health systems, and tele-health; reducing administrative costs;
9. Rooting out criminal fraud and abuse with effective rules and enforcement; and
10. Training, recruiting and retaining the healthcare workforce to reduce cost and quality issues due to overtime and temporary staffing, and to facilitate access to primary care.

Healthcare Insurance Exchange

ACI supports the timely establishment of a healthcare insurance exchange to leverage federal resources and to support New Mexico business. The governance, responsibilities and operations of the exchange must be set up with great care to achieve success in offering more choices and lower costs.

The healthcare insurance exchange should:

1. Be a New Mexico based, quasi-public entity;
2. Operate independently of state government;
3. Have a governing board of between 11 and 15 voting members who represent all stakeholders on the board and through advisory committees; include a strong voice for employers, and a diversity of professional expertise, geographic areas, demographics, cultural backgrounds and political views.
4. Broadly define board member qualifications, to allow for a deep pool of outstanding candidates. Qualifying experience should include health plan administration, health care finance, public policy expertise, health care delivery, enrollment in coverage, ownership of a small business, information technology, marketing or public relations, legal services, and other professional experience relevant to exchange operations;
5. Assure accountability and transparency through the board appointment process, proper auditing, and reporting to the Legislature, the Executive, and the public;
6. Determine the exchange's plan of operation; secure funding to cover administrative expenses; recruit, train and compensate those who serve in the role of navigator; and
7. Implement information systems that make it easy for individual consumers to shop for health insurance, and for employers to participate on a voluntary basis.

The healthcare insurance exchange should not have the authority to:

8. Require carriers to participate in the exchange, or stop carriers from offering plans outside the exchange;
9. Reject qualified plans properly licensed to do business in New Mexico, including stand-alone dental or vision coverage plans meeting state and federal requirements;
10. Set plan premiums, determine provider reimbursement rates, or create benefit mandates that exceed state and federal requirements; or
11. Restrict the ability of the state to seek federal waivers to enable innovations in healthcare coverage, financing, payment or delivery.

Focus on Health Care Delivery Improvements

The current healthcare system is unsustainable. It is not sharing information well, is not engaging patients enough in their own health and treatment, is too focused on short-term acute care, is not focused on physician/patient relationships, and, as a result, is too costly. Therefore, ACI proposes the following to improve health care delivery:

1. Encourage development of pilot programs, public/private partnerships and innovations in health care delivery and payment – designed to improve coordination of care and deploy resources more efficiently.

2. Facilitate the sharing of patient medical information by increasing the capabilities and promoting adoption of the Health Information Exchange or developing a centralized patient health record
3. Other states' activities should be researched for successes that can be adopted in NM;
4. Tele-health, which will play an increasing role in healthcare, especially given our rural population, must be supported by:
 - ensuring adequate bandwidth infrastructure;
 - appropriately reducing the risk/liability of remote healthcare;
 - appropriately modifying HIPAA and other regulations to enable tele-health; and
 - encouraging the use of tele-health in Medicaid, Medicare and private insurance.
5. The regulatory burden on providers, businesses and agencies should be reduced to lower costs and improve delivery;
6. The capacity of the health care delivery system should be optimized through utilization of an expanded array of health professionals and community-based caregivers; especially within primary care, with a continuous focus on patient safety and positive outcomes. This focus should be supported by appropriate reimbursement systems, organizational structures, and work force development; and
7. Encourage the establishment of one-on-one relationships between patients and medical personnel to improve accountability, communication, and effective wellness care.