

TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

November 2, 2015

Co-Chairs: Senator Cisco McSorley and Representative John Zimmerman

AGENDA ITEM (4)

Utilization of Tobacco Cessation Services Within the Medicaid Program

[SALUTATIONS]

The Human Services Department (HSD) and the Department of Health (DOH) have formed a public-private collaboration with the American Cancer Society Cancer Action Network, Inc. (ACS CAN) to advance tobacco cessation. This collaborative group works to ensure that:

- Medicaid managed care organizations (MCOs) are offering evidence-based services recommended by the American Lung Association and the U.S. Preventive Services Task Force;
- a managed care baseline is established for tobacco-cessation services so that utilization may be evaluated over time; and,
- duplication in service and costs will be identified and eliminated, if applicable, to ensure cost savings for the State.

An additional identified objective for HSD, and the tobacco-cessation workgroup, is to encourage Centennial Care MCOs to *further* promote tobacco-cessation services to their members.

The Centers for Disease Control (CDC) reports that the national average for adult smokers, 18 years or older, is 17.8 percent, while the Centers for Medicare and Medicaid (CMS) report that the Medicaid population of adults who smoke is 37 percent nationally. CMS further reports that Medicaid expenditures, attributable to smoking, total nearly \$22 billion dollars annually, representing 11 percent of all Medicaid expenditures. And, as Dr. Tomaka reported at the September meeting to this Committee, "health care cost impacts to New Mexico range from \$844 million to \$976 million dollars a year, with other significant economic impacts..."

An important component, of the tobacco-cessation array of services, is telephone counseling, also known as "quitlines." A quitline offers specially-trained quit coaches who provide counseling, education and support to quitline callers, who either smoke or have recently quit smoking. The Surgeon General's *Treating Tobacco Use and Dependence* clinical guideline states that quitlines have proven effective in improving overall quit rates (a 15 percent quit rate when phone counseling is provided, versus a 10 percent quit rate with no telephone counseling). The

quit rate further improves when phone counseling is combined with pharmacotherapy – a 28 percent quit rate for phone counseling plus medications versus a 23 percent rate with medication alone).

The data set for monitoring tobacco cessation services is complex and comes from a variety of sources that the collaborative workgroup has been in the process of defining. Diagnoses codes have been identified to quantify the Medication population of members who are known to smoke or use tobacco products. Both procedure codes for counseling services, and pharmacy codes for medications, have been identified in order to obtain a baseline for utilization and expenditures. Quitline data; however, is not as directly accessible because it is not available through paid claims or held in the Medicaid Data Warehouse. HSD is working with the MCOs to provide call volume and unique member counts.

HSD, with the assistance of the collaborative workgroup, will provide current data to this Committee prior to the next scheduled meeting. This data will include service utilization from 2014 to present and will be reported quarterly as well as year-to-date. The population will include unduplicated members, 18 years and under *and* 18 years and over. The number of pregnant women in these age groups will be identified as a subset. The number of units, and the expenditures for services, will also be reported.

By statute, New Mexico has created the Tobacco Settlement Permanent Fund and the Tobacco Settlement Program Fund. Each year proceeds from the settlement are deposited into the Permanent Fund and then half are transferred to the Program Fund. Medicaid receives an allocation from the Tobacco Settlement Program Fund each year, typically about \$9 million dollars. In years when the General Fund is not projected to meet the need of the department, the legislature has suspended allocations to the Permanent Fund and appropriated funds from the Program Fund. This happened during the recession and again in SFY2016. The allocation to the Medicaid Program for SFY16 is \$30 million dollars.

Money appropriated from the tobacco program fund may be used for health and educational purposes. The tobacco settlement allocation supports the Medicaid program budget which covers the cost of medical payments for all Medicaid recipients. The tobacco settlement revenue is used to support the state share of medical payments for recipients once the federal share has been drawn for valid services under the New Mexico Medicaid State Plan. The allocation is not specifically for, or restricted to, tobacco-cessation services.

Thank you. May I answer any questions from the Committee?