



**Presentation to the  
Legislative Health and Human Services Committee  
Sidonie Squier, Secretary HSD**

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July 6, 2011

# Today's Discussion – Native American Program Updates on Medicaid & Health Care Reform

- Medical Assistance Division (Medicaid)
  - Medicaid Cost Containment – IHS and 638 programs
  - Native American Protection Plan Update
  - Medicaid Preservation & Modernization Plan
- Health Care Reform
  - Office of Health Care Reform
  - Tribal Consultation
  - Native American Stakeholder Committee

## **The Mission of the Human Services Department**

*To reduce the impact of poverty on people living in New Mexico by providing support services that help families break the cycle of dependency on public assistance*

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# Medicaid Cost Containment Impact on Indian Health Service & Tribal 638 Programs (I/Ts)

- ▶ **HSD has taken many actions to contain costs. They include things such as:**
  - Provider reimbursement reductions – IHS excluded
  - A change in the methodology to reimburse Hospitals – IHS excluded
  - Reduction in pharmacy dispensing fees – IHS excluded
  - HSD has taken care to protect IHS and 638 programs in its cost containment measures.
  - No cost containment actions have been taken, or are contemplated at this time, that would affect services received by Native Americans in IHS or Tribal 638 programs

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# Medicaid Native American Protection Plan - Update

- ▶ The Native American Protection Plan is designed to protect health care services that are provided to Native American Medicaid recipients through IHS Facilities and Tribal 638 programs (I/Ts).
- ▶ Protection Plan needs approval from the Federal Centers for Medicare and Medicaid (CMS)
  - Submission for approval to CMS is on hold due to no identified core services that will be cut or limited that would affect I/Ts

- ▶ In 2010 the State Tribal Group designed a “waiver” proposal to Protect American Indian Medicaid benefits from cost-containment efforts by the state



# Medicaid Strategic Initiatives

**Medicaid Preservation and Modernization Plan** – HSD will partner with Alicia Smith & Associates to redesign and modernize the Medicaid program to ensure the future preservation and sustainability of the program

## Four Principles of Medicaid Preservation & Modernization Plan:

1. Incorporate all services into a “second generation” of managed care that offers a full spectrum of benefits from newborns to nursing care,
2. Increase personal responsibility by implementing co-pays for some high-cost services, and pursuing financial incentives to reward healthy behavior,
3. Pay for Performance. That means we are going to pay for health care outcomes rather than the quantity of services provided, and
4. Increase administrative efficiencies by combining all our waivers into a single waiver so we can manage the program rather than the waivers.

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# Medicaid Strategic Initiatives

## Medicaid Preservation & Modernization Timeline:

1. Road map - August, 2011
2. Waiver - Submitted and approved in 12 – 18 months
3. Full transformation - Implemented in 24 months
4. Stakeholder Input – Summer 2011
  - a) LHHS Presentation - Tuesday, June 14, 2011
  - b) Public Input Sessions – Summer 2011
  - c) Tribal Consultation – August 3, 2011
  - d) [Medicaid.comments@state.nm.us](mailto:Medicaid.comments@state.nm.us)

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# Health Care Reform

## New Mexico Office of Health Care Reform

- ▶ **On July 1, 2010, by Executive Order a New Mexico Office of Health Care Reform (NM OHCR) was created.**
  - NM OHCR is currently administratively attached to the Human Services Department.
  - There are two dedicated staff from HSD, one summer intern and a Steering Committee made up of representatives from several State Departments and Divisions.
  - The OHCR is charged with the administration of a \$1 million Planning Grant received in FY 11.
  - OHCR was selected as 1 of 10 states to receive technical assistance and funding through 2014 from the Robert Wood Johnson Foundation.
  - OHCR maintains involvement of, and coordination with, providers; insurers; health plans; consumers; advocacy groups; tribes, tribal organizations, and urban Indians; and other members of the public.

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# Native American Consultation and Steering Committee - Update

**The Human Services Department has worked closely with the Indian Affairs Department in the planning and facilitating of all State Tribal Consultation and Tribal Work Groups.**

- ▶ **Tribal Consultation**
  - November 9, 2010 – State Legislation and Implementation Regarding the PPACA
- ▶ **Health Care Reform (HCR) Tribal Work Group**
  - November 19, 2010
  - December 7, 2010
  - December 16, 2010
  - December 30, 2010
- ▶ **HCR Native American Steering Committee**
  - June 8, 2010
    - Concern expressed that a State Tribal Consultation has not yet been called.
    - Debate about forming a NA Steering Committee.
    - Discussion about need for all I/T/U's getting information and having input on HCR and a Health Insurance Exchange.

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