

Status of New Mexico's Hospitals

*Jeff Dye, President and CEO
New Mexico Hospital Association
August 26, 2015*



**New Mexico
Hospital Association**

Mission Advocating and partnering to support members in improving the health status of New Mexicans

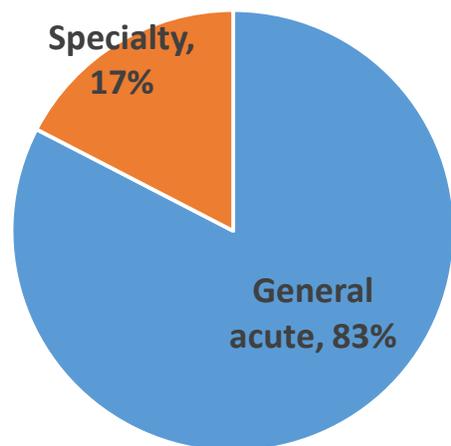
Vision 2020

NMHA is recognized as...

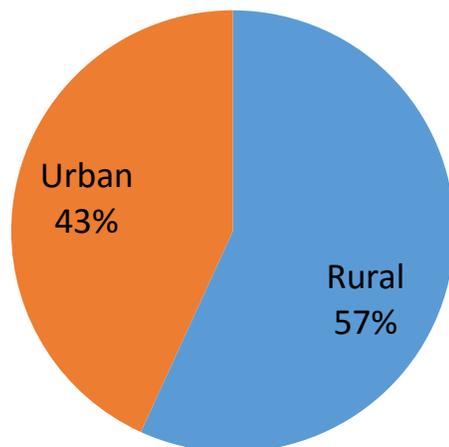
- A strong respected voice
 - Creating innovative transparent sustainable solutions
 - Committed to preserving access to affordable evidence based care
 - Improving value, outcomes, and the health of our communities.



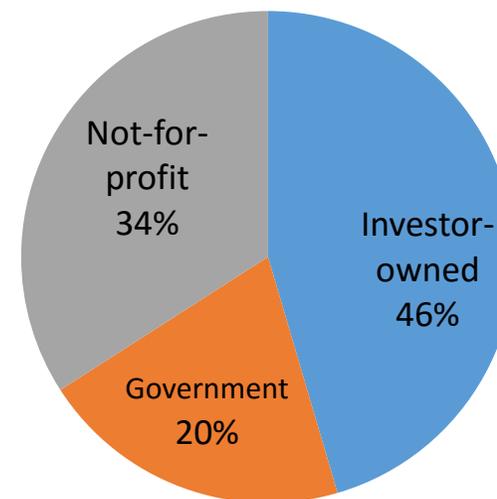
Who are NMHA's 44 Members?



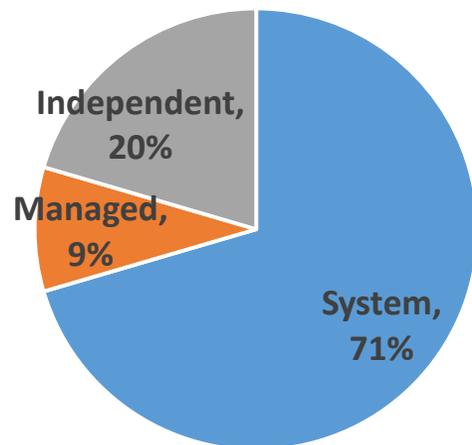
Service Type



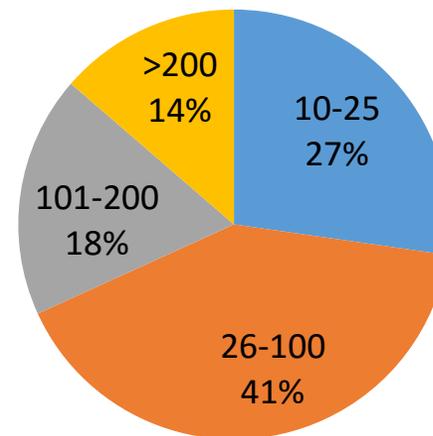
Location



Ownership



Affiliation



Bed Size



Standby Role of Hospitals

1. [24/7 Access to care](#)
2. [Safety Net Emergency Medical Treatment and Labor Act](#)
3. [Disaster Readiness and Response](#)



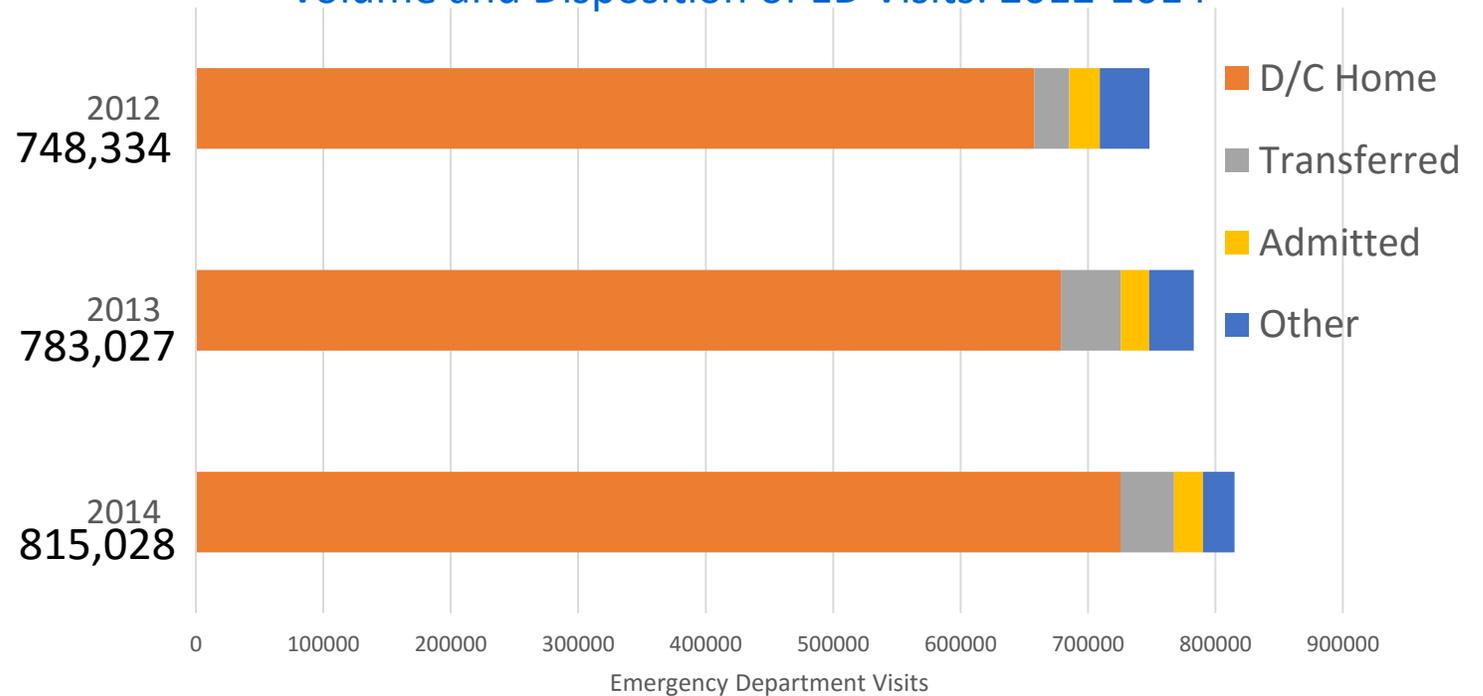
Volume and Disposition of ED Visits: 2012-2014

Behavioral Health Disorders in the ED

18.1%

21.3%

21.4%



Economic Impact of NM Hospitals



35,506
Hospital
employees



63,200
jobs



\$ 2.9B
Labor Income



\$ 2.09B
Hospital wages

\$6.8 Billion

Annual amount of economic
activity generated by NM
hospital expenditures



Quality: Hospital Engagement Network

In 2012, 23 NM hospitals, in partnership with the American Hospital Association's Health Research & Educational Trust, launched a large scale quality improvement project in NM: the Centers for Medicare and Medicaid Services (CMS) Partnership for Patients (PfP) Hospital Engagement Network. The initiative set a bold goal of reducing patient harm by 40 percent and preventable readmissions by 20 percent in just 3 years.

The 23 NMHA-HEN hospitals **improved care while reducing health care costs** (relative improvement rate):

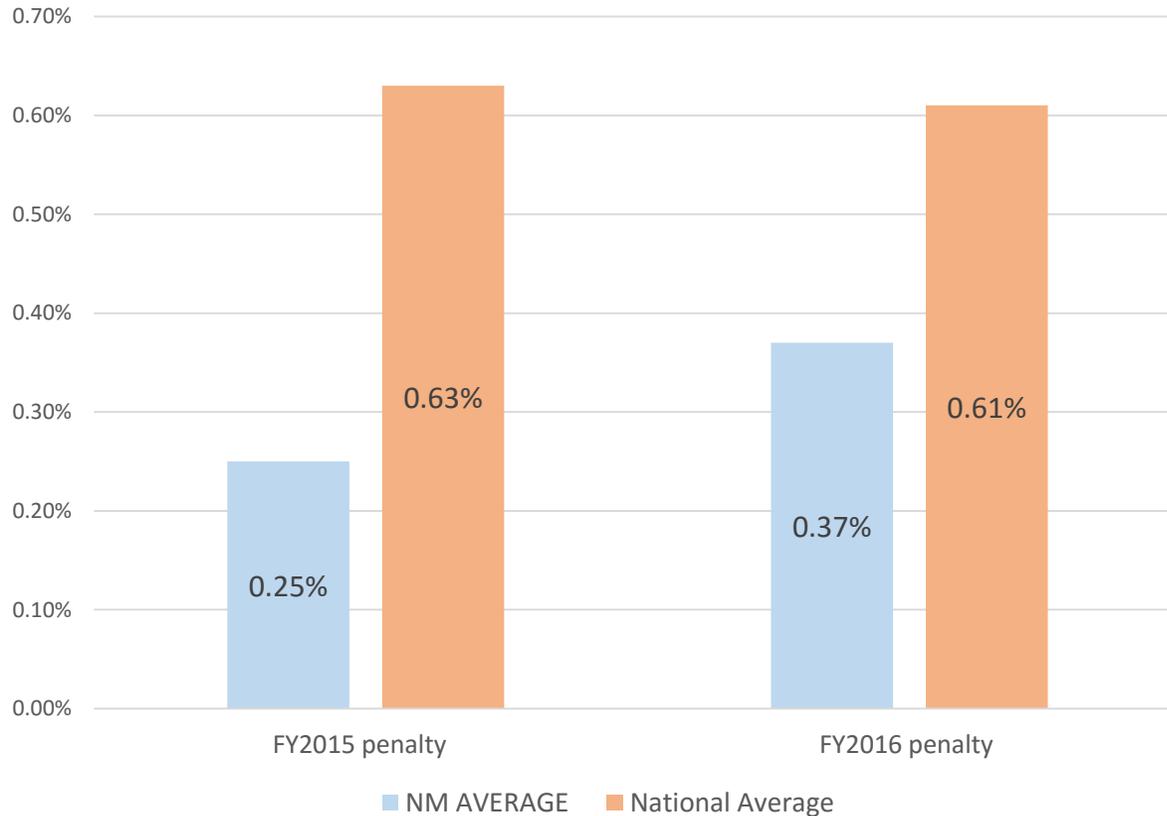
- Early elective deliveries (which can increase complications) by **77%**;
- Pressure ulcers by **71%**;
- Venous thromboembolism by **44%**;
- Avoidable readmission within 30 days by **8.2%**;
- Surgical site infections by **63%**.

This translates into approximately **1675 harms prevented** during the course of the initiative, with a savings of approximately **\$5 million dollars** from prevention of the hospital-acquired conditions.

Quality: Controlling Readmissions

Average Readmission penalty (%) FY15 & FY16

Source: Kaiser Health News and US Centers for Medicare & Medicaid Services



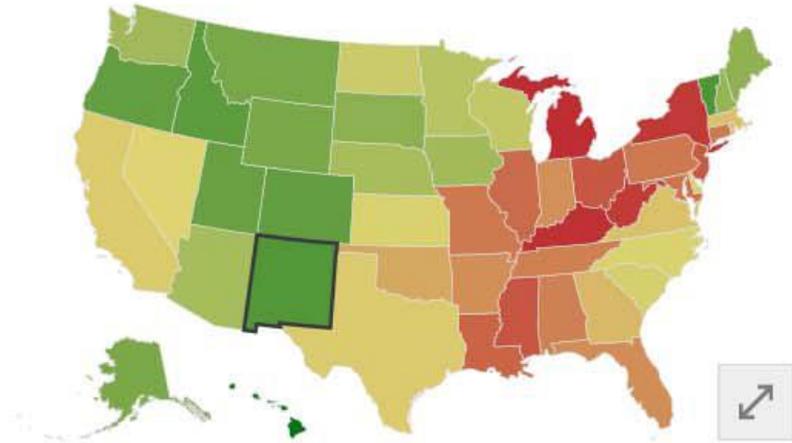
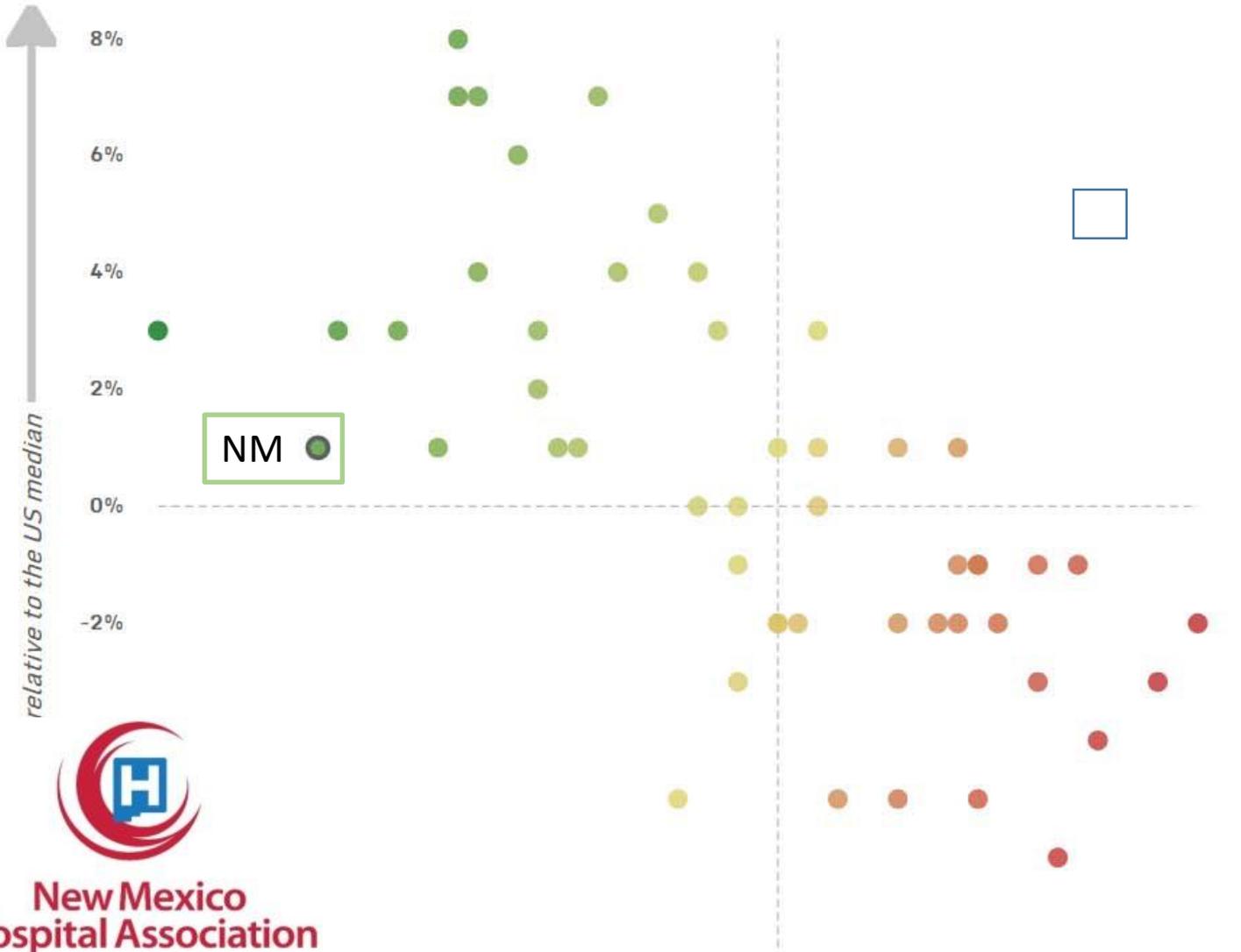
- NM hospitals consistently face lower Medicare readmissions penalties than the rest of the nation
- i.e.- readmission rates under 10%



Inpatient Medicare spending per capita vs. Hospital quality score

View location type: States HRRs

better  worse  median



SELECTED LOCATION: New Mexico

23% lower spending | **1%** higher quality
relative to the US median

Inpatient spending per capita: \$1,840

Source: Commonwealth Fund



New Mexico Hospital Association

Workforce: Practice Innovation Soars

- Survey of members: 67% response rate (24/36 general acute)
- All respondents support or plan to soon support a Nurse Practice Team
- Teams are vehicle for innovation and creation of more effective care delivery techniques



New Mexico
Hospital Association

Workforce: Nurse Staffing

- 2014 NMHA survey: 29 of 34 eligible acute care hospitals participating
- Surveyed RN and Direct Caregiver Hours of Care per Patient Day (HPPD)
- *No staffing outliers were identified*
- Without knowing the acuity levels of patients, any comparison of like units at different hospitals is difficult and often not valid.
- Hospitals are shifting to use of Progressive beds to improve the flow and quality of care. It is not possible to accurately compare staffing structures for these beds



Workforce: Vacancy Study Key Findings

Occupations with the highest overall vacancy rates:

- Nurse Case Mgrs 15.8%
- Advanced Practice Professionals 15.7%
- Specialty Docs 15.6%
- Primary Care Docs 15.3%
- Occupational Therapists 11.1%
- Certified Coders 9.9%

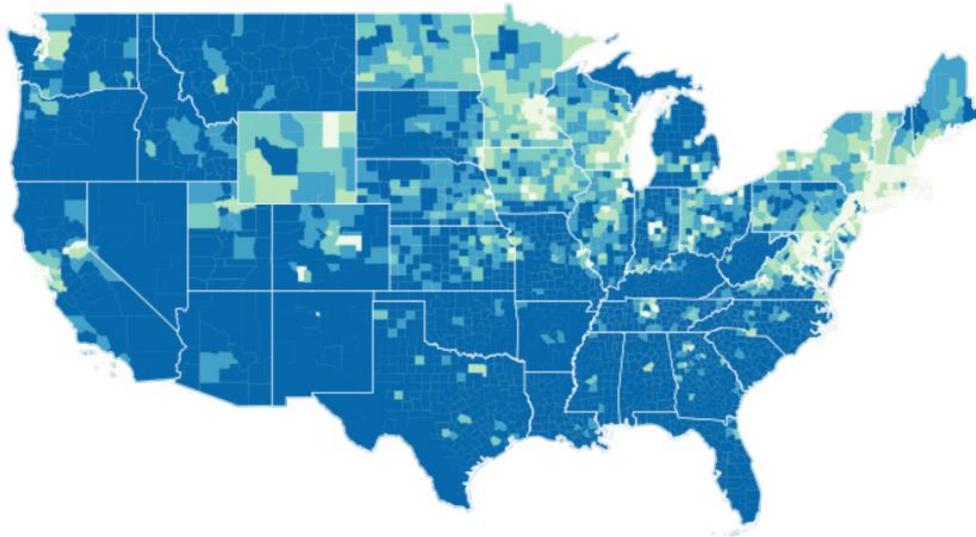
Solutions

- Collaborating with NM Primary Care Training Consortium to develop residency capacity
- Nurse Residency Program – exploring the options

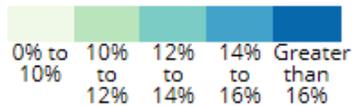


Finance: Medicaid Expansion is Working

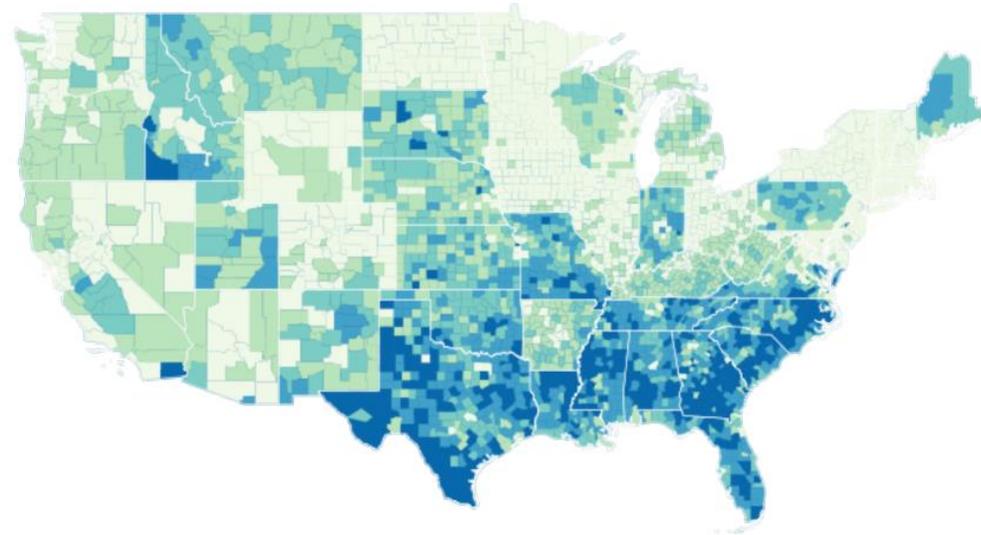
Uninsured by County, 2013



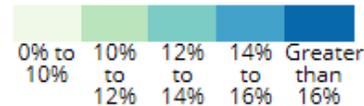
Percent Uninsured
(2013)



Uninsured by County, 2014

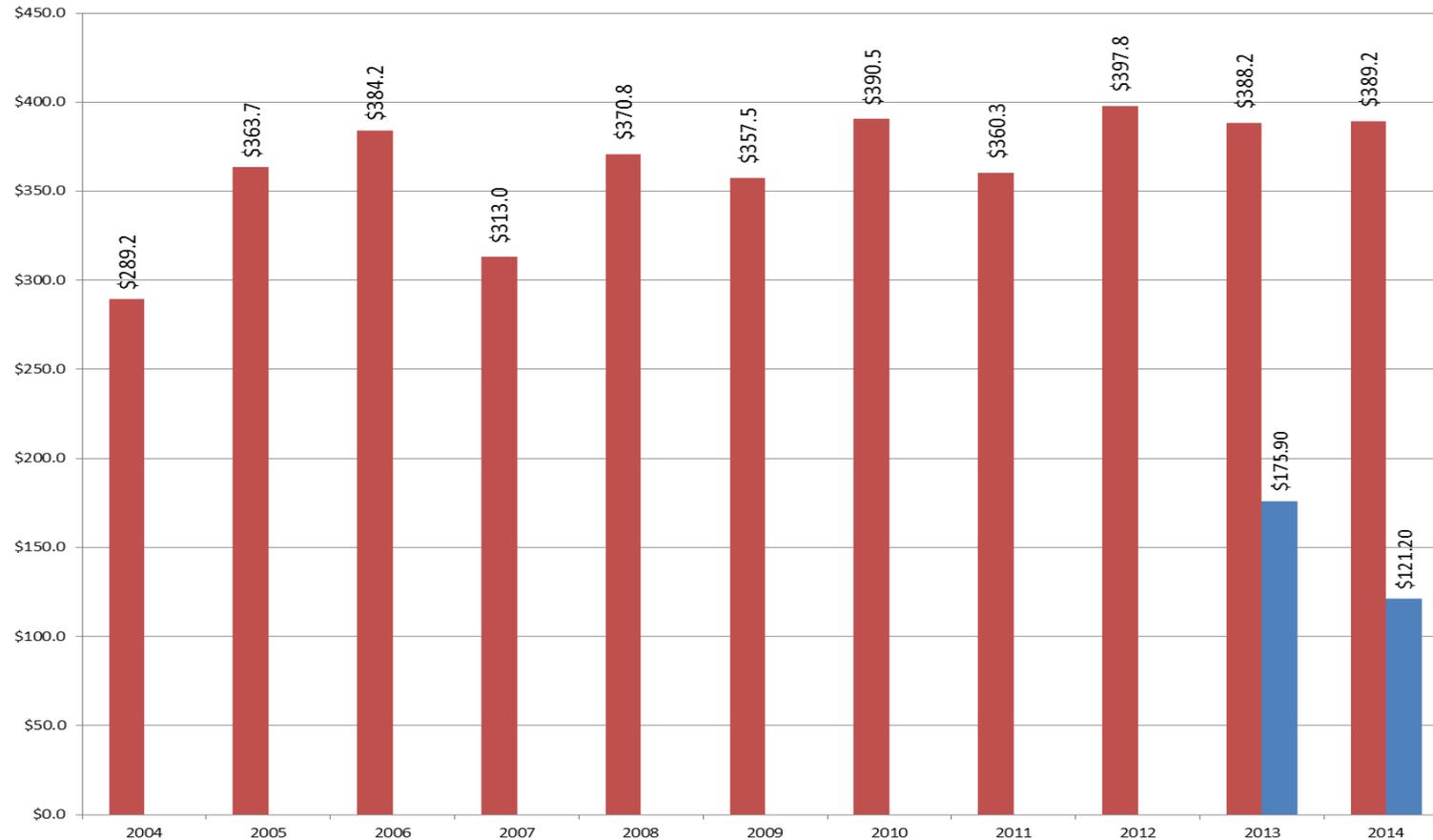


Percent Uninsured
(2014)



Finance: Impact on Uncompensated Care

**New Mexico Hospitals
Uncompensated Care (millions)
Cost Report History (n=44) vs. SNCP Calculation (n=29)**



Prepared by New Mexico Hospital Association

2004 - 2014 Cost Report Calculation with new Worksheet S-10 implemented in 2004

2013 - 2014 SNCP UC Applications for payments in 2014 and 2015 (Source: HSD)

Finance: Cost and Charge

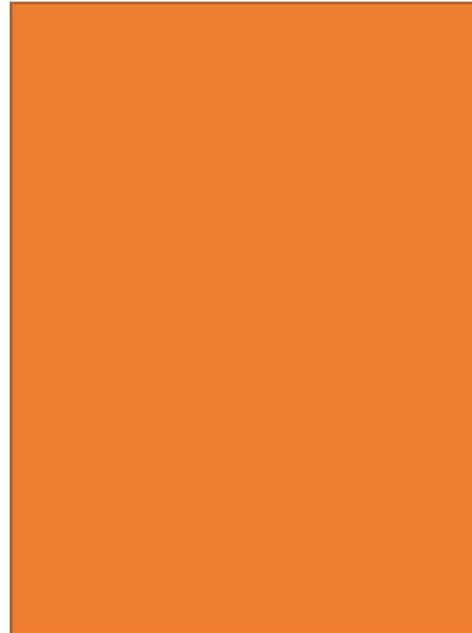
BILLED CHARGE = 3X COST

Average
Cost to
Charge
Ratio = .25

Commercial Insurance may pay:
- a % of Billed Charges
- Medicare rates
- a capitated payment (pmpm)

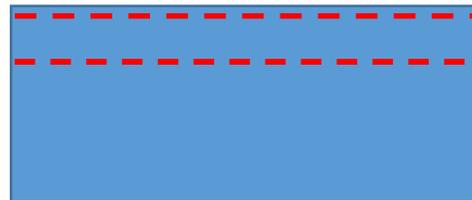
Negotiated

Negotiated??



COST 100%

Uninsured Patient
eligible for assistance
per Financial
Assistance Policy

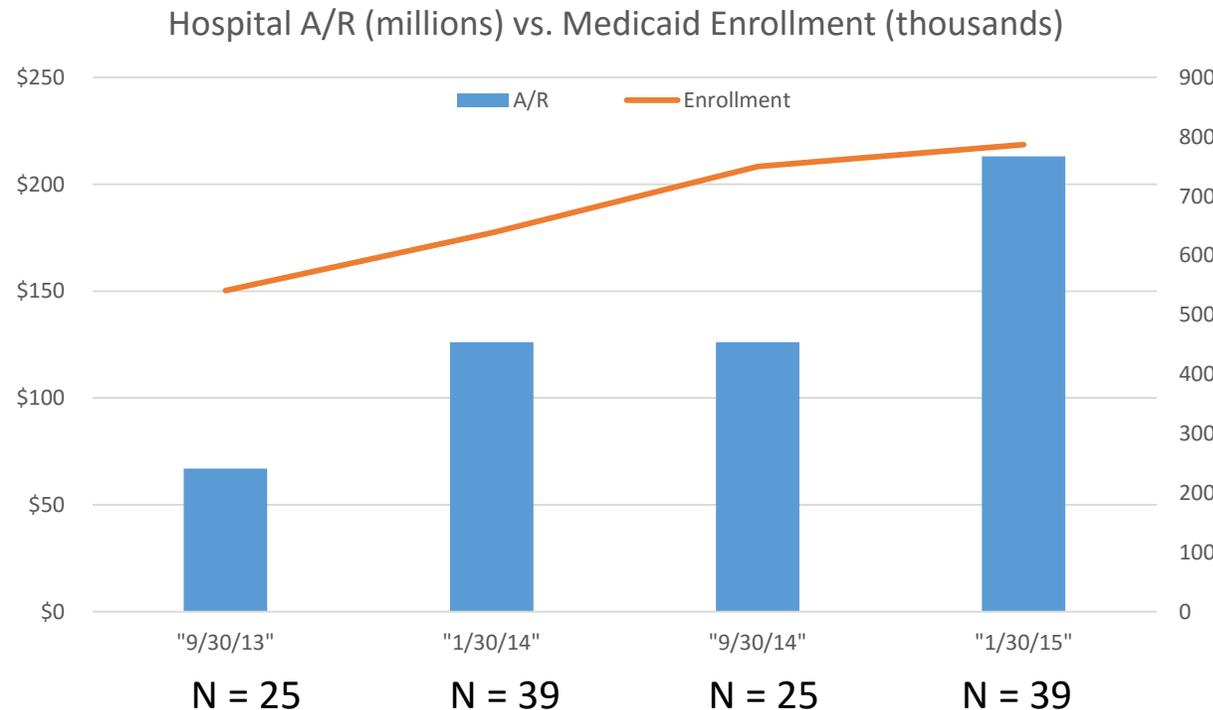


Medicare pays 97% of Cost (Original vs. Medicare Advantage)

Medicaid pays 76% of Cost (FFS vs. Managed Care)

Finance: Systems in Change

NMHA's Response



- CC Transitions Taskforce convenes monthly
- Regular NMHA communication with HSD and MCO reps
- Two in-person HSD-MCO-hospital meetings
- Excellent support from HSD

Actual Growth of Medicaid recipients was 38% in 2014

