

**MINUTES**  
**of the**  
**SJM 1 HEALTH CARE REFORM WORKING GROUP**

**August 5, 2010**  
**Room 322, State Capitol**  
**Santa Fe**

The meeting was called to order on Thursday, August 5, 2010, at 9:00 a.m. by Deborah Armstrong, chair, in Room 322 of the State Capitol. After general welcoming remarks, members of the working group introduced themselves.

**Present**

Deborah Armstrong, Executive Director,  
New Mexico Medical Insurance Pool,  
Chair  
Sen. Sue Wilson Beffort  
Rep. Ray Begaye  
Rep. Gail Chasey  
Craig Dunbar, Interim Superintendent,  
Insurance Division, Public Regulation  
Commission  
Ruby Ann Esquibel, Health Policy  
Coordinator, Human Services  
Department (HSD)  
Sen. Dede Feldman  
Rep. Keith J. Gardner  
Sam Howarth, Director of Policy and  
Performance, Department of Health  
(DOH)  
Mike Nuñez, Executive Director, New  
Mexico Health Insurance Alliance  
Sen. Mary Kay Papen  
Rep. Danice Picraux

**Advisory Members**

Rep. Donald E. Bratton  
Sen. Cisco McSorley

**Absent**

Kathryn "Katie" Falls, Secretary, HSD  
Sen. Gay G. Kernan  
Rep. Larry A. Larrañaga  
Sen. Howie C. Morales

Sen. Clinton D. Harden, Jr.  
Sen. Nancy Rodriguez  
Rep. Edward C. Sandoval

**Guests**

The guest list in the meeting file.

**Handouts**

Copies of all handouts and written testimony are in the meeting file.

## **Thursday, August 5**

A quorum being present, a motion to approve the minutes of the July 9, 2010 meeting was approved unanimously.

### **Review of Work Force Components of the Federal Patient Protection and Affordable Care Act of 2010 (PPACA)**

Dan Derksen, M.D., Center for Community Partnerships, University of New Mexico (UNM), stated that in 2014, some 300,000 to 400,000 additional New Mexicans will receive health insurance. With 40 or so references to health professional work force issues in the PPACA, several state issues need to be addressed, including:

- anticipated work force shortages; 32 of 33 New Mexico counties are designated as health profession shortage areas;
- a Commonwealth Fund study ranking New Mexico last in access to health care and prevention;
- undocumented workers creating additional pressure on the delivery system; and
- New Mexico facing pressing health work force shortages, especially in the physician, nursing and dental professions.

New Mexico does not have one entity responsible for overseeing health professional work force issues. There is no lead agency for health work force assessments, planning and development. New Mexico work force program oversight is currently the responsibility of multiple agencies, including the Higher Education Department, the Workforce Solutions Department and the DOH. There is no ongoing data collection and analysis system that would permit the state to answer simple questions such as how many doctors are available in the state. To inform policymakers and plan accordingly, it is critical to have more reliable and timely health work force data.

Questions were raised regarding the readiness of laboratories, classroom space, teachers and scholarships to train additional health professionals. The infrastructure at the moment has reached capacity, and classroom space needs should be formally addressed. Legislation, titled the "Health Care Workforce Data Collection, Analysis and Policy Act", will be introduced in the 2011 session of the legislature. The act will address the need for timely and accurate data regarding the health professional work force. New data will be collected from health professionals at the time of licensure or upon renewal. Data will include employment status; practice setting; specialty; practice location; average hours worked; and future practice plans.

Dr. Dersken testified that the PPACA provides funding opportunities for educational institutions seeking to expand their health professional training programs. However, PPACA funds will not cover the full cost of program implementation and operation. State funding for the

program operations should be anticipated. Recommendations include establishing a fund to supplement health professional training program expansion; making awards contingent upon multi-institution coordination; cost-effective joint training for multiple health professional disciplines; developing training programs by priority needs; and developing community-based education and training.

Open discussion and questions followed. A comment was made that New Mexico needs to compete regionally to get and retain more professionals in the state. The teaching community is aging, with the average teacher age at 53 years; class size can be doubled, but the quality of teaching will be negatively impacted. Teaching institutions will need to have additional space to train health professionals. Ms. Esquibel and Senator Feldman announced that the PPACA has awarded health professional grants totaling \$694,151 in New Mexico. Funding will be distributed to advance nursing traineeships with over \$38,000 for the UNM Health Sciences Center. Also, nurse education, practice, quality and retention grants were given to the UNM Health Sciences Center for \$406,000 and to Western New Mexico University for \$249,000. Concern was expressed that the primary source for work force funding is through UNM. Going forward, when addressing state work force issues and solutions, New Mexico State University should be included as a working partner in grant applications and discussions. There was general acknowledgment that the state is turning students away from its universities. Demand for health professional education is exceeding state resources. There is a need to create increased opportunities for students to enhance their skills and offer financial incentives to encourage students to remain and grow within the state. In addition, steps should be taken to stop losing providers to other states because it is far less expensive to keep providers than to replace them.

### **Next Steps: Data System and Coordination Issues**

Dr. Derksen stated that there is a lack of health work force data among all key licensed health professions, including physicians, physician's assistants, nurses, dentists, dental hygienists, psychologists, counselors, chiropractors and optometrists. The state needs better ways of measuring work force capacity and needs. While there is a known shortage of health professionals, in order to be able to target the specific gaps, better information is needed. As of today, the state is basing its projections on information that is five years old and with many working assumptions. Up-to-date information is needed, or the state's ability to compete for new PPACA work force programs will be limited.

### **Health Resources and Service Administration Planning Grants**

Mr. Howarth explained that on the HSD web site, all grant information and known application activities are available. Many funding opportunities are available, and many departments and university entities are pursuing them. It is important to have good applications that cover the state's concerns; yet, the DOH lacks the ability to coordinate health care grant applications through state universities. Mr. Howarth noted that the state needs to work on making the practice environment for health professionals inviting. The state needs to work on solutions that demonstrate provider value and appreciation in an effort to retain more physicians. Incentives such as student loan assistance or loan forgiveness should be instituted in exchange

for provider guarantees to work in underserved areas of the state. Suggestions were made to rekindle the interests of students who had not completed coursework as another way to identify potential providers. Several health care work force planning and development grants are intended to help students with their student loans. Only two behavioral health professionals have been recruited in the past two years. The state needs to improve coordination and engage in better efforts for psychiatry. Retention of these professionals is critical. Mr. Howarth noted that according to federal standards for dentists, New Mexico is 1,800 dentists short. New Mexico does not have a dental school, but there are opportunities for students to receive tuition assistance if they come back to the state. So far, 94% of the dental students so assisted have returned.

Nancy Ridenauer, Ph.D., dean, College of Nursing, UNM, explained that the national shortage of registered nurses is estimated to reach 500,000 by 2025. Factors are related to financial barriers and shortages of nursing school teachers. The Institute of Medicine recommends that 75% of all nurses should be prepared at the bachelor's degree level or higher; currently, only 37% of nurses in New Mexico hold a bachelor of science degree. Finally, work force diversity to provide care to underserved minorities is low nationally. The American Association of Colleges of Nursing reported in 2009 that only 7.2% of the nation's enrolled baccalaureate nursing students are minorities. UNM faculty members formed the New Mexico Nursing Education Consortium in December 2009 and are determined to use teamwork and statewide collaboration to improve the future of nursing in the state. New Mexico stands fiftieth in the nation for the ratio of nurses to population. New Mexico colleges and educational institutions turn away several hundred qualified applicants every year. The goals of the consortium are three-fold: increase the number of baccalaureate and graduate nurses through existing community colleges within their home communities; improve efficiency, quality and educational outcomes of nursing education; and increase work force diversity by improving access to nursing education to minorities, particularly in rural areas. The overarching goal is to have a coordinated nursing program across the state. Dr. Ridenauer testified that the Board of Nursing is challenged by a lack of statewide nursing work force data. She supports the concepts presented by Mr. Howarth and Dr. Derksen. Private grant collaboration is needed to ensure the best possible chance of obtaining work force development grants for New Mexico. Working group members observed that state workforce development boards through the Workforce Solutions Department do not have a complete understanding of the health care bill nor do they have health care expertise. Currently, the boards are located in three regional offices. These offices could serve as locations to centralize planning for grant applications. It was suggested that the DOH reach out to the Workforce Solutions Department and offer its expertise.

Nikki Katalanos, Ph.D., program director, Physician Assistant Program, UNM, testified that the program is severely challenged due to a lack of physical space and a lack of funding.

### **Health Care Delivery System: Opportunities and Challenges: PPACA**

Robert Garcia, vice president for regional administration, Presbyterian Healthcare Services, and president, New Mexico Hospital Association (NMHA), urged the legislature to protect the state's health care infrastructure by protecting Medicaid. Recommendations include protecting

Medicaid enrollment, benefits and provider payments; protecting sole community provider funding until the full range of grants and pilots available under the PPACA are determined; developing a shared commitment and solutions to bend the cost curve through delivery system and reimbursement innovations; removing any barriers to physician licensing and medical liability coverage; supporting trauma funding; and supporting the Hospital-Acquired Infection Advisory Committee. Mr. Garcia noted that the current state of the New Mexico budget shortfall represents a serious challenge for the Medicare program. Current proposed regulations state that if a hospital and a health plan are unable to negotiate a contract successfully, reimbursement will automatically default to 90% of the fee-for-service reimbursement rate. From the NMHA's point of view, this will result in a 10% cut, as health plans will have little reason to negotiate rates in this circumstance. No one knows how to address this change in reimbursements. He suggested having the Health Care Reform Working Group form a financial task force to find short- and long-term solutions for this issue.

Joie Glenn, executive director, New Mexico Association for Home and Hospice Care, discussed the challenges and opportunities for home and hospice care providers under the PPACA. Challenges include implementing and encouraging home- and community-based services; implementing mandated health insurance for home health agencies; facing the economic downturn while still providing services for vulnerable and fragile populations; and dealing with inadequate reimbursements that may lead to lower wages and a shortage of skilled workers. Opportunities include increased disease management through interdisciplinary teams and participation in accountable care organizations and medical homes; expansion of home- and community-based services addressing everyone's desire to stay at home when given a choice; and work force development through partnering with providers to do more with less through emerging technologies that can result in higher productivity.

Mark Schinnerer, president, New Mexico Health Care Association (NMHCA), identified health care reform opportunities for nursing facilities and described key focus areas for consideration by the working group. First, the impact of anticipated Medicaid cuts will be severe for nursing facilities statewide. Annually, Medicare rates are adjusted for inflation, and, in 2012, the adjustment will be a reduction. New Mexico nursing facilities are currently experiencing a shortfall in Medicaid reimbursement of \$15.00 to \$20.00 per patient per day. This shortfall is expected to grow even more due to Medicare reductions. The state should focus on reducing this gap. Second, some home- and community-based services are eligible for an additional 6% reimbursement in the PPACA. New Mexico currently leads the nation in the amount of money spent for home- and community-based services in Medicaid. The NMHCA believes that individuals should receive long-term care in the least restrictive and most appropriate setting, including home- and community-based services. Mr. Schinnerer identified numerous provisions in the PPACA that are not expected to affect Medicaid directly, but are likely to affect providers on a day-to-day basis. Several additional areas in the PPACA were identified that will potentially affect state agency oversight and management of health care services and programs.

David Roddy, executive director, New Mexico Primary Care Association, explained key provisions in the PPACA for community health centers. The PPACA contains a total of \$11 billion in new funding for community health centers over five years; \$9.5 billion of this funding will allow health centers to expand their operational capacity to serve nearly 20 million new patients and to enhance their medical, oral and behavioral health services. The PPACA also includes \$1.5 billion over five years for the National Health Services Corps to enhance opportunities for recruitment and retention of health care providers in rural areas. The expansion of Medicaid to 133% of the federal poverty level in 2014 without any restrictions will ensure coverage of nearly 16 million Americans and will significantly reduce New Mexico's uninsured population. The PPACA adds preventive services to the federally qualified health center (FQHC) Medicare payment rate and eliminates the outdated Medicare payment cap on FQHC payments. The federal government wants to expand FQHCs. The challenge to growth in New Mexico stems from the fact that New Mexico's community health centers already serve 13.3% of the state population (more than double the national average of 6%), as well as New Mexico's geographic characteristics as a rural/frontier area, work force challenges and payment systems issues. The PPACA contains an enhanced reimbursement requirement for FQHCs but still discriminates against the primary care provider. Mr. Roddy suggested four additional areas of opportunity: funding for a health center residency program; development of accountable care organization pilot projects; implementation of incentives for electronic health records; and payment system reforms.

Carol Miller, executive director, National Center for Frontier Communities, said the overall mission of the center is to ensure geographic democracy. New Mexicans should have access to programs and services no matter where they live.

Working group members had comments and questions concerning medical home services. Concerns were raised about the applicability of medical homes in small communities and rural areas without internet access and how rural New Mexicans will be able to access the services from health professionals.

### **Next Steps; Interdisciplinary Training Issues**

Betsy Van Leit, Ph.D., Area Health Education Centers (AHECs), UNM, explained the purpose of the AHECs. These organizations provide work force development and community health support services to underserved populations and support primary care health disciplines. AHECs connect students to health careers and connect health professionals to interested students, which results in improved community health. All 33 New Mexico counties are covered by the AHECs. AHECs promote interest about health professions among students from minorities and disadvantaged backgrounds. AHECs also provide financial support for students enrolled in professional training programs, and they offer continuing education to health care providers such as promotoras, who provide culturally sensitive quality care in New Mexico communities.

There was no public comment.

Ms. Esquibel announced the state health reform leadership team will meet at Plaza La Preza on August 18, 2010 from 10:00 a.m. to 12:00 noon. The mission of this team is to develop a strategic plan for the implementation of the PPACA. The team will move forward to have some recommendations and to begin formulating suggested legislative changes for consideration by the legislature.

Ms. Armstrong announced that next month's meeting of the Health Care Reform Working Group will cover consumer protection and information technology services. During the September or October meeting, the working group will discuss Native American issues. Due to many inquiries on the health insurance exchange, that topic will be revisited.

There being no further business, the meeting was adjourned 4:30 p.m.