

**MINUTES
of the
SIXTH MEETING
of the
LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE**

**November 30-December 1, 2011
Room 307, State Capitol
Santa Fe**

The sixth meeting of the Legislative Health and Human Services Committee was called to order by Senator Dede Feldman, chair, on November 30, 2011 at 9:15 a.m. in Room 307 of the State Capitol.

Present

Sen. Dede Feldman, Chair
Rep. Danice Picraux, Vice Chair
Rep. Nora Espinoza
Sen. Gay G. Kernan
Rep. Dennis J. Kintigh
Sen. Linda M. Lopez
Rep. Antonio Lujan
Sen. Gerald Ortiz y Pino

Absent

Advisory Members

Rep. Ray Begaye
Rep. Eleanor Chavez
Sen. Stephen H. Fischmann
Rep. Miguel P. Garcia
Rep. James Roger Madalena
Sen. Cisco McSorley
Rep. Bill O'Neill
Sen. Nancy Rodriguez
Sen. Sander Rue
Sen. Bernadette M. Sanchez
Rep. Mimi Stewart (12/1)

Sen. Rod Adair
Sen. Sue Wilson Beffort
Sen. Mary Kay Papen
Sen. John C. Ryan
Rep. James E. Smith

Guest Legislator

Rep. Edward C. Sandoval (12/1)

(Attendance dates are noted for members not present for the entire meeting.)

Approval of Minutes

Because the committee will not meet again this year, the minutes for this meeting have not been officially approved by the committee.

Staff

Michael Hely, Staff Attorney, Legislative Council Service (LCS)

Rebecca Griego, Records Officer, LCS

Abenicio Baldonado, Intern, LCS

Kathleen Dexter, Researcher, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and written testimony are in the meeting file.

Wednesday, November 30**Approval of Minutes**

On a motion by Senator Kernan, seconded by Representative Lujan, the minutes of the committee's November 2-4, 2011 meeting were adopted.

Prior Notice by Insurers Before Formulary Changes

Senator Timothy Z. Jennings, president pro tempore, and Amber Pearce, U.S. public affairs and state government relations director for Pfizer, presented a bill for the committee's endorsement concerning reclassification or removal of prescription drugs from formularies specified in the New Mexico Insurance Code, the Health Maintenance Organization Law and the Nonprofit Health Care Plan Law. The proposed bill prohibits reclassification of a prescription drug into a higher tier or removal of a drug from the formulary for a period of one year following the effective date of an insurance policy, and it requires that an enrollee be given 60 days' prior notice if a drug is to be reclassified or removed. The price-stabilization effect of the measure would help people with chronic or otherwise long-term health issues that are treated or managed with drugs, including multiple sclerosis, arthritis, hemophilia, acquired immune deficiency syndrome and cancer.

On a motion by Senator Kernan, seconded by Representative Espinoza, the committee voted unanimously to endorse the bill.

Medicaid Funding for Nursing Facilities

Linda Sechovec, executive director of the New Mexico Health Care Association, and Jody Knox, chief executive officer of Lakeview Christian Home of the Southwest, Inc., gave a presentation on recent *Medicare* reimbursement rate cuts for skilled nursing facilities and the impact this has on the state's Medicaid program (Tab 1 of the handout). *Medicare* reimbursements over the past decade have made up for a shortfall in funding for Medicaid, which has been chronically underfunded in the state; however, due to *Medicare* rate cuts that went into effect on October 1, 2011, *Medicare* funding can no longer cover this cost-shifting. The new rates, in combination with service delivery and payment changes, effectively reduced reimbursement for *Medicare* services by 14 percent, or \$68.20, per-*Medicare*-patient-per-day, for an annual loss of \$15.6 million to the state's nursing facilities. The consequent underfunding

to the state's Medicaid program is estimated at \$20 million to \$25 million annually, an estimate that is hampered, in part, by managed care contract provisions that prohibit providers from releasing information on contract rates.

The *Medicare* rate cuts threaten the marginal solvency of New Mexico's nursing facilities. While staff reductions and other operational changes have kept these facilities afloat through past rate cuts, there has been a recent shift in the population in nursing homes, with a much higher percentage of residents now needing staff assistance in activities of daily living. In light of the current precarious situation and probable further *Medicare* cuts in 2013 due to the federal deficit, the presenters urged the committee to support an appropriation of \$7 million to \$8 million, either in the general appropriation act or in a stand-alone appropriation bill, to cover some of the funding shortfall and to prevent further erosion of skilled nursing facility services in the state.

On questioning from committee members, the presenters addressed the following concerns and topics.

Provider fees. Ms. Sechovec noted that she has supported the imposition of a provider fee for nursing homes in the past; however, at this point she does not. Forty other states impose a provider fee, and although such a fee has the potential to generate \$20 million in New Mexico and bring in substantial additional federal funds, the current secretary of human services has stated that a bill imposing a provider fee would not be signed into law by the current governor because it would be viewed as a tax.

Staffing. In 1993, when all New Mexico nursing facilities became *Medicare*-certified and there was a shift to greater dependence on federal funding, facilities began taking more acute clients who require more care. The recent reimbursement rate cuts exacerbate the problem of hiring and retaining competent staff. While Ms. Knox tries to maintain an overall staffing ratio at her facility that allows 3.25 hours of direct patient care per client per day (the director of nursing and other staff who do not provide direct patient care are not included in this calculation), she has trouble finding staff because of competition from the oil and gas industry, where wages are two to three times higher than in nursing homes. Staffing costs account for up to 75 percent of a facility's expenses, with the balance going to facility, operational and administrative costs. The American Health Care Association stopped doing industry wage surveys, but this information is still being collected by the Center for Nursing Excellence.

Reimbursement rates. The state pays more for daycare and prisoners than it does for long-term care services, with current Medicaid reimbursement rates \$20.00 to \$25.00 per day below the cost of services provided. Rates vary across Medicaid managed-care contracts, and transparency in the contracts is critical in order to allow a full audit of the system. *Medicare* reimbursement for nursing home care is 21 days at full reimbursement, with days 22 through 100 qualifying for partial reimbursement with a copayment applied. The copayment is covered by Medicaid for those who are dually eligible.

Quality of care. Surveys on nursing facility quality of care are conducted pursuant to licensing and certification requirements. Family involvement increases the quality of care.

Nursing home populations. The aging baby boom generation will soon substantially increase the need for nursing care in the state. Relatively young people with traumatic injury, including drug users, account for the current population boom in nursing facilities. At the same time that the need is growing for skilled nursing care, facilities are closing due to insolvency.

Medicaid redesign. The American Health Care Association has submitted written suggestions to the Human Services Department (HSD) on Medicaid redesign. One concern regarding the possible collapse of waiver programs in the redesign effort is that the payment process is already difficult and could perhaps be exacerbated with a new structure.

- ★ Senator Feldman directed Representative Espinoza to meet with Ms. Sechovec, Mark Padilla, vice president for government relations at Amerigroup, and Drew Setter, lobbyist for Evercare of New Mexico, to discuss Medicaid payment difficulties.
- ★ Ms. Sechovec will provide a breakdown of nursing facility expenses, including staffing versus administration expenses.

Public Comment

Nancy Bearce, chief operating officer of New Mexico Abilities (NMA), reported on NMA's work to secure employment for persons with disabilities. NMA has 105 members, a mix of individuals, nonprofit organizations and for-profit companies; employs 397 individuals with disabilities; and has 85 current contracts, totaling over \$6.6 million.

Nick Estes, policy analyst for New Mexico Voices for Children, urged the committee to pursue nursing home provider fees. He noted that New Mexico is too poor to pass up the estimated \$20 million in federal funds that would come to the state by enacting such fees.

Charlie Marquez of the New Mexico Health Care Association addressed the problem of funding long-term care services with the baby boom generation on the horizon. He stated that there is insurance available but that it is quite expensive, and he called for a blend of public funding and private insurance to cover all the costs. He also called for tort reform, describing a boutique industry of out-of-state law firms coming into New Mexico to bring lawsuits against nursing homes. On invitation from the chair, nursing home administrators in the audience introduced themselves, including Dan Smith of Sierra Health Care, Inc., in Truth or Consequences; Aaron Rance of the Good Samaritan Society in Alamogordo; Guy Matson of the Good Samaritan Society in Las Cruces; Gerald Hamilton of BeeHive Homes in Albuquerque; and Michael Hainer of Rio Rancho Care and Rehabilitation Center. One administrator pointed out to the committee that there are currently no long-term-care beds available on the west side of Albuquerque.

Ellen Pinnes of the Disability Coalition told the committee that a task force appointed by the governor has been meeting to study possible changes to the State Use Act and ways to

promote employment for the disabled. Kathleen Cates, chief executive officer of LifeROOTS, informed the committee that while there are no nonprofits on that task force, Ms. Cates is available to answer any questions committee members might have about organizations such as hers that secure employment for individuals with disabilities.

Further Public Comment

Edward Keller, an independent advocate for persons with disabilities, urged the committee to support full implementation of the Money Follows the Person in New Mexico Act (MFP), describing it as a civil rights issue and as a cost-saver for the state.

Prior Authorization Form and Approval Standards

Senator John M. Sapien, lobbyist Amber Pearce, Kerrie Copelin and Carroll Howely, the latter two of the Amyotrophic Lateral Sclerosis (ALS) Association, presented a bill for the committee's endorsement that addresses prior authorizations for prescription drug coverage. In a recent study by the American Medical Association, 80 percent of doctors reported that streamlining the prior authorization process is critical. The proposed bill's provisions require that all insurers use a uniform prior authorization form; require that the form be available in both electronic and non-electronic versions; and impose a two-day response deadline on insurers once a form is received. Mr. Howely, who has ALS, described the extreme hardships faced by people with disabilities when navigating the current multistep and time-consuming prior authorization process. He urged the committee to endorse the bill. Speaking from the audience at the invitation of the chair, Ralph McClish, executive director of the New Mexico Osteopathic Medical Association, also urged the committee's endorsement of the bill, saying that the prior authorization process is so time-consuming that most doctors' offices hire full-time staff specifically for this purpose.

On a motion by Senator Kernan, seconded by Representative Espinoza, the committee voted unanimously to endorse the bill.

- ★ Mr. Hely will provide information on the process for appealing to the superintendent of insurance following a denial of prescription drug authorization.

Money Follows the Person in New Mexico Act

Daniel Ekman, disability advocate, Nat Dean, disability advocate, and Adam Shand, statewide advisor for People First, presented a joint memorial for the committee's endorsement concerning the MFP. The MFP, which was signed into law in 2006, allows Medicaid institutional care funds to be used, instead, for community services. The MFP has not yet been fully implemented, and current HSD policy does not allow a person to receive services under a home- and community-based waiver without first being placed in a nursing facility. An HSD study lists the state's current nursing facility population at approximately 5,700, with many of those people able to safely transition to community-based services. The largest age group in this population is the 45- to 64-year-olds, with 25- to 44-year-olds being the second-largest group and the elderly being the third largest. Mr. Shand, who is himself living at home under a Medicaid home- and community-based waiver program, spoke of the contributions that he and

others in his situation make to their communities and families that would not be possible if they were living in institutions. Lack of available and accessible housing is a hindrance, but the presenters noted that housing vouchers issued by the federal Department of Housing and Urban Development could help address this situation.

New Mexico received two grants under the federal Patient Protection and Affordable Care Act of 2010 (PPACA): \$595,000 to implement the act beginning in July 2011 and \$23.7 million to move individuals from nursing facilities to home and community settings. Furthermore, the state's application for an MFP waiver was approved in October of this year. The presenters urged the committee to endorse the joint memorial, which requests that the HSD fully implement the MFP and spells out potential cost savings to be seen.

On a motion by Representative Espinoza, seconded by Senator Lopez, the committee voted unanimously to endorse the joint memorial. Representative Espinoza and Senator Lopez agreed to cosponsor the legislation.

Report on Teen Pregnancy

Sylvia Ruiz, executive director of the New Mexico Teen Pregnancy Coalition, and Marie Bass, who serves on the coalition's board of directors, reported on the coalition's programs directed at reducing teen pregnancy, reducing the negative consequences of teen pregnancy and improving outcomes for teen parents in the state. Though teen birth rates in New Mexico and the nation have steadily declined since 1998, with a 32 percent drop seen in New Mexico from 1998 to 2009 (page 3 of the handout), the state still had the second-highest birth rate in the country in 2008 for teens 15- to 19-years-old and the highest rate for teens 15- to 17-years-old. Poverty, alcohol and drug use, pro-childbearing attitudes among peers and a perception of personal and social benefits to having sex are all strong risk factors for teen pregnancy (page 4 of the handout). The coalition's prevention strategies, endorsed by the Department of Health, include family planning services, service learning programs, adult-youth communication programs, sex education and male involvement programs. Under its Challenge 2015 initiative, the coalition aims to reduce the birth rate among 15- to 17-year-olds and among 15- to 19-year-olds by 10 percent by 2015. Results in the first year of this initiative show a five percent reduction from the baseline to the current average birth rate for 15- to 19-year-olds.

Despite their successes, funding for teen pregnancy prevention programs has been cut, most notably in Doña Ana and Bernalillo counties. Members discussed the need to protect funding for these programs, including the My Power Program in Lea County, which has the highest teen birth rate in the state.

- ★ Senator Lopez will sponsor a bill to appropriate \$500,000 for teen pregnancy prevention programs.

Interim Report of the Disabilities Concerns Subcommittee

Representative Lujan and Senator Rodriguez, chair and vice chair, respectively, of the Disabilities Concerns Subcommittee, presented a report on the subcommittee's work during the

interim. The report is attached as Appendix A to these minutes. The presenters and committee members discussed the need for the subcommittee to be upgraded to a full committee in order to continue working on its broad topic. With only two days of meetings in the current interim, the subcommittee was unable to address some topics that could have a substantial impact on the disabled community, such as the consolidation of Medicaid waiver programs. Members discussed the need for a profile of the state's nursing home population, especially in light of testimony that the two largest age groups are not elderly and, thus, will be needing skilled nursing for a long time.

On a motion by Senator Feldman, seconded by Representative Lujan, the minutes of the October 7, 2011 meeting of the subcommittee were adopted.

- ★ Ms. Sechovec will provide a profile of the state's nursing home population, with totals and a percentage breakdown by age group.

Review of Legislation

The committee voted to endorse legislation on the following topics for the 2012 legislative session. Details on the legislation and committee actions appear in Appendix B to these minutes.

- Joint Memorial: Medical Cannabis Study (187862.1)
- Hospital Charges for Uninsured (187792.2)
- Appropriation: County and Tribal Health Councils (187354.1)
- Appropriation: BA-DDS Program (187848.1)
- Appropriation: Primary Care Physician Tuition Waiver (187864.1)
- Appropriation: Southwestern New Mexico Primary Care Programs (187951.1)

★ Mr. Hely will:

- (1) provide bill numbers from previous years if a bill proposed for endorsement is a repeat of one that was introduced in a previous session;
- (2) draft a separate health insurance exchange bill that incorporates suggestions from the executive;
- (3) provide copies of the statute authorizing tuition waivers for primary care medical students; and
- (4) get a reading from Raúl E. Burciaga, director of the LCS, on the germaneness of vetoed bills that are reintroduced for veto overrides.

The committee recessed at 4:25 p.m.

Thursday, December 1

The committee reconvened at 9:10 a.m.

1115 Waivers

Jane Perkins, J.D., M.P.H., legal director for the National Health Law Project, Alicia Smith, president of Alicia Smith and Associates, Quela Robinson, staff attorney for the New Mexico Center on Law and Poverty, and Jim Jackson, executive director of Disability Rights New Mexico, gave a presentation on 1115 waivers, which may be granted for demonstration and pilot projects within a state's Medicaid program. Waivers are granted in three categories — less-than-statewide coverage, targeted experiments and program restructuring — and are restricted by statute to budget-neutral projects with demonstrated experimental value.

Ms. Perkins suggested that, in preparing its current 1115 waiver application, New Mexico study both what was denied in Arizona's recent waiver application and a court challenge that Arizona recently faced. The Centers for Medicare and Medicaid Services (CMS) denied Arizona's requests to require eligibility redeterminations every six months rather than every 12 months; impose copayments on children and pregnant women; and impose an annual fee on smokers. In addition, in *Newton-Nations v. Betlach*, the federal Ninth Circuit Court of Appeals found that a reduction in benefits imposed as a cost-saving measure within the Arizona Medicaid program does not meet the statutory definition of an "experiment", nor does the imposition of heightened copayments demonstrate anything other than what 35 years of research has shown: when faced with increased copayments, the Medicaid population forgoes care. Ms. Perkins also stressed the requirement for monitoring and evaluation in a waiver project and for public input in the waiver application process.

Ms. Smith informed the committee that she would present a concept paper to the governor on the state's current waiver application. She noted that the waiver will be based on a per capita payment structure, which allows for enrollment growth. The other option was to use an aggregate cap structure, as is used in Rhode Island and Vermont. These states have come to regret using the aggregate cap, however, because while their Medicaid enrollment continues to grow, their Medicaid funding does not.

Mr. Jackson presented a list of general recommendations that the Disability Coalition has made regarding the Medicaid redesign initiative, as well as specific recommendations for the state's developmental disabilities waiver program and its programs for long-term services and supports (lavender handout), especially the personal care option (tan handout). Mr. Jackson emphasized that the primary goal in the redesign should be to improve programs and services, not just to save money. He also cautioned against modeling Medicaid after private insurance programs as these programs do not always meet the needs of low-income or disabled populations, citing two examples: copayments, which are onerous for a person who has a chronic illness or who needs long-term care; and the notion of taking "personal responsibility" for one's health, which is not possible for many with disabilities.

Ms. Robinson spoke about current proposals to impose fees for non-emergency use of emergency rooms. Such a fee would violate a federal requirement that other resources exist, which is not the case in most areas of the state, where a person needing medical attention does not have access to anything but the emergency room at the nearest hospital. Current programs that attempt to alleviate this problem include the diversion program in the emergency room at

Presbyterian Medical Center in Albuquerque, which screens for non-emergency cases and makes clinic appointments for those people within 24 hours; school- and community-based health clinics; and telemedicine programs. She noted that these programs can save money because a person is treated in a timely fashion; if a fee is imposed on non-emergency use of an emergency room, people are more likely to forgo treatment until their condition truly *is* an emergency, at which point, the cost of treatment will be much higher.

On questioning and commentary from committee members, the presenters addressed the following concerns and topics.

Medical provider shortage. While there is nothing in the state's waiver application to address the critical shortage of medical personnel, there are grants available for this purpose through the PPACA. In addition, the New Mexico Health Policy Commission recommends legislation for loan forgiveness programs.

Mi Via program. Mi Via New Mexico's Medicaid self-directed waiver program can be streamlined as part of the Medicaid redesign initiative to eliminate bureaucratic layers and improve timeliness of payments.

Provider fees in nursing facilities. These are used in other states but are seen as taxes. CMS is willing to work with states to put them in place, but they must be enacted through legislation, not through a waiver.

Copayments. Federal law allows states to impose copayments on almost all Medicaid recipients, and no waiver is necessary. In 2000, the U.S. Congress allowed states to impose greater-than-nominal copayments on certain populations and on prescription drugs and emergency services. New Mexico's Medicaid enabling statute is not specific on copayments and, instead, cedes authority to the secretary of human services. A "nominal copayment" is defined as \$3.40.

Legislative approval of waivers. The New Mexico Medicaid statute does not require legislative approval of waivers, though some other states, such as Connecticut, do have this provision.

Money Follows the Person in New Mexico Act. Programs within the act will be incorporated in the waiver. Speaking from the audience, Matt Kennicott, HSD communications director, stated that the department plans to fully implement the provisions of the act by late winter or early spring 2012.

- ★ Mr. Kennicott will provide information on the time line for finalizing and submitting the waiver application.

Dialysis Services Income Tax Deduction

Roman Maes, chief executive officer of New Mexico Public Relations Society, along with Albert Babbitt and Scott Mickelson, president and senior manager, respectively, of State Tax Services, presented a bill for the committee's endorsement concerning tax credits for dialysis facilities. They explained that, under current law, nonprofit dialysis facilities receive a gross receipts tax deduction while for-profit facilities do not. The legislation would provide parity by extending the deduction to all dialysis facilities, similar to deductions that have been enacted for other health care services. There are currently 32 dialysis facilities operating in New Mexico, of which 20 are for-profit facilities (page 3 of the handout).

In discussing the proposed legislation, members considered the potential loss of tax revenue to the state and to local governments with enactment of the deduction. A fiscal impact report from a previously introduced version of the bill projected an annual loss to the state of \$620,000, and members questioned both where that revenue would be made up and what the dialysis providers would do with their savings. Presenters assured the committee that the savings would be reinvested within their New Mexico operations. Representative Edward C. Sandoval, who joined the committee for the presentation, stated that the Legislative Finance Committee (LFC) has prepared a report on how much revenue the state forgoes due to all of the gross receipts tax deductions across the health care industry.

★ Representative Sandoval will provide a copy of the LFC report on deductions.

Public Comment

Penelope Foran, Skillsets tutor and disabilities advocate, spoke against raising current copayments or imposing new ones in the Medicaid program and urged the committee not to make changes to Medicaid on the verge of implementation of the PPACA. Ms. Foran's comments appear in detail in Appendix B to these minutes.

Ms. Bearce spoke in favor of making the Disabilities Concerns Subcommittee of the Legislative Health and Human Services Committee into a permanent committee.

Ms. Cates expressed concerns that small nonprofit agencies that serve the disabled community might not be heard as the State Use Act is reviewed.

Ana Otero-Hatanaka, executive director of the Association of Developmental Disabilities Community Providers, stated her concern that recently announced cost-saving changes to the developmental disabilities waiver would be detrimental to the waiver participants.

Jim Parker, director of the Governor's Commission on Disability, reported that the commission is not getting consensus on its recommendations regarding the State Use Act. He suggested that home- and community-based services should be the norm, with a waiver required, instead, for entry into a nursing facility. He spoke in favor of rating health care agencies in the same manner as nursing homes are rated and of establishing a standardized service package across all waiver programs. Finally, he suggested that the Workforce Solutions Department be more active in finding employment for individuals living with disabilities.

★ Mr. Parker will provide a copy of the commission's report.

Review of Legislation

The committee voted to endorse legislation on the following topics for the 2012 legislative session. Details on the legislation and committee actions appear in Appendix C to these minutes.

- Health Insurance Exchange Act, New Mexico (187843.2)
- Prior Authorizations (187273.2)
- Prescription Drug Formulary Changes (187243.2)
- Primary Stroke Centers (187833.1)
- Appropriation: Consumer and Elder Rights Division Programs (187844.1)
- Medicaid Program Change Fiscal Impact Report (187845.2)
- Data Management Duties Transfer from New Mexico Health Policy Commission to Department of Health (187847.1)
- Health Care Work Force Data Collection Duties Transfer from Department of Health to University of New Mexico (187964.1)
- Medicaid Community First-Choice Program (187850.1)
- Medicaid Program Change Prior Legislative Approval (187853.2)
- Joint Memorial: Money Follows the Person Act Implementation (187861.1)
- Dialysis Facility Tax Deductions (187728.1)
- Basic Health Program for Certain Medicaid Ineligibles (187849.2)
- Joint Memorial: Basic Health Program Study (187981.1)

BA/MD Degree Program

Members discussed the combined BA/MD program at the University of New Mexico to clarify information in a handout provided by the university's school of medicine. Members noted that concerns regarding whether the program truly serves the needs of rural New Mexico, which has a difficult time recruiting medical personnel, should be addressed to the House Appropriations and Finance Committee when the school of medicine makes its presentation on the program during the upcoming session.

Adjournment

There being no further business, the committee adjourned at 3:05 p.m.

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APPENDIX A

Disabilities Concerns Subcommittee — Interim 2011 Report

The Disabilities Concerns Subcommittee (DCS) of the Legislative Health and Human Services Committee held two meetings this interim: on June 24 and October 7. At each meeting, the DCS received testimony from state agencies, community advocates and the public

on issues affecting individuals living with disabilities.

The June 24 meeting was a special meeting of the DCS in response to calls by advocates for a meeting to review changes to the developmental disabilities home- and community-based Medicaid waiver (D/D waiver) program. The DCS heard about plans that the Department of Health and the Human Services Department (HSD), the agencies responsible for administering the D/D waiver, have included in their waiver renewal application to the federal government to use a new rate structure, assessment tool and other restructuring means to cut program costs and open new placement allocations (slots). The DCS expressed its concern that the legislature and the public be provided ample opportunity to comment on any proposed changes to the program and that more slots be opened to individuals on the waiting list.

At its October 7 meeting, the DCS heard testimony relating to the Coordinated Long-Term Services (CoLTS) home- and community-based Medicaid waiver program and the Personal Care Option (PCO) program for Medicaid recipients. Both programs assist people who need help with at least two activities of daily living in order to remain independent. The DCS raised concerns about continued long waiting lists for the CoLTS program, and advocates raised concerns about CoLTS allocations being made only after individuals are placed in nursing homes. The DCS and advocates urged that more individuals be moved from nursing home situations and new slots be opened up. The HSD testified that it is attempting to cut costs through increased integration of services in Medicaid restructuring, through community reintegration and through federal "money follows the person" grants. "Community reintegration" was distinguished from "money follows the person" in that the latter program opens new slots for CoLTS participants while community reintegration does not, but it only moves individuals from nursing homes into the community.

The DCS also heard testimony on business and self-advocacy opportunities for individuals living with disabilities. It discussed ways that individuals living with disabilities can be empowered to move from financial and social dependence on the state and family members to greater independence through self-advocacy, self-employment and skill-building. The Governor's Commission on Disability discussed its attempts to obtain more funding for disabilities programs in the state. The DCS endorsed the concept that advocates put forward to fund five business incubator loans for individuals with developmental disabilities.

APPENDIX B

Public Comment: Health and Human Services Committee 12/01/2011

Penelope — submitted at the Request of Representative Edward C. Sandoval

1309 San Jose Ave, Albuquerque, NM 87106 live.wire2@comcast.net

Madame Chairman and Members of the Committee:

Thanks for this opportunity to speak with you today. I always enjoy the intimacy of this Roundhouse, and treasure the fact that legislators in New Mexico are accessible to ordinary citizens.

I have been thinking a lot about Medicaid in New Mexico, especially since coming up to a meeting of this Committee in June of 2011. I am a disabilities advocate, every day I interface with people who are covered by Medicaid. Many of us are fearful of Medicaid Redesign, and we depend on you, our legislators to protect us.

At first, my dream was to meet with each and every legislator personally, but I live on SSDI and cannot afford that. As an Alternative I decided to speak to your Committee. When I look around I see people who are here, sitting on this Committee, because they care. Why else would you sit through these hours of testimony on Health and Human Services? So, as I look each one of you in the eye, my message is, this year, more than ever, you are needed as champions of the people.

I am here to ask you to take risks and refute Medicaid Redesign.

- Medicaid Recipients cannot afford Co-pays, and they don't work.
- Dramatic changes in the Medicaid Delivery system BEFORE the implementation of the ACA need to be blocked. A one size waiver does NOT fit all.
- New Mexico cannot afford cuts to Medicaid Spending. Don't Fix what Ain't Broken. Let us DIALOGUE instead about things that ARE BROKEN.
- Third party management corporations with their fingers in the pot, acting as Gatekeepers instead of Facilitators.
- The complexity of compliance and the burden being placed on those least capable of negotiating the byways of benefits.

I wish you the very best of luck in the upcoming session and once again, thank you for listening.

APPENDIX C

Legislative Health and Human Services Committee — 2012 Endorsed Bills (12/12/11 version)						
	202#	Topic or Short Title	Description	Gov's msg required?	Appropriation	Sponsor
1	187273.2	Prior authorization standards	Prescription drug benefit prior authorization standards and protocols	Yes	No	Sen. Sapien
2	187354.1	Fund county and tribal health councils	\$1.9 million to DOH to fund 38 county and tribal health councils	No	Yes	Sen. Lopez
3	187243.2	Prior notice for drug formulary changes	Insurers to provide prior notice to covered individuals when changing prescription drug formulary	Yes	No	Sen. Jennings
4	187792.2	Limit hospital charges for uninsured	Requires hospitals to limit charges to low-income uninsured and provides for sliding scale	Yes	No	Rep. Eleanor Chavez
5	187833.1	Stroke centers	Legislation providing for DOH certification of hospitals for stroke-related care	Yes	No	Rep. James
6	187844.1	\$2.3 million to ALTSD	\$2.3 million to ALTSD for consumer and elder rights and aging network programs and services	No	Yes	Sen. Lopez
7	187845.2	HSD to submit FIR	Require HSD to submit fiscal impact report when changing state Medicaid plan	Yes, unless seeking veto override	No	Rep. King

Legislative Health and Human Services Committee — 2012 Endorsed Bills (12/12/11 version)						
	202#	Topic or Short Title	Description	Gov's msg required?	Appropriation	Sponsor
8	187847.1	Move HISA data collection duties	Move HISA data collection duties from the New Mexico Health Policy Commission to the DOH	Yes	No	Rep. Stewart
9	187964.1	Work force data collection	Amend Health Care Work Force Data Collection, Analysis and Policy Act to move data collection duties from DOH to UNM	Yes	No	Rep. Stewart
10	187848.1	\$400k for BA/DDS	\$400,000 to UNM to establish BA to DDS program	No	Yes	
11	187850.1	Community 1st Choice Plan (CFCP)	HSD to create a CFCP to provide attendant-care services for eligible individuals	Yes	No	Rep. Begaye
12	187853.2	Legislative approval for Medicaid changes	Mandates that HSD receive legislative approval for any major changes to Medicaid	Yes	No	Rep. E. Chavez
13	187864.1	Primary care tuition waiver	\$300,000 to HED to fund primary care physician conditional tuition waiver at UNM	No	Yes	Sen. Feldman
14	187951.2	Fund coordinated rural health care	\$165,000 to DOH to fund integrated health care in southwestern New Mexico	No	Yes	
15	187849.2	Basic Health Program	Requires HSD to establish Basic Health Program to cover Medicaid-ineligible low-income residents	Yes	No	Sen. Ortiz y Pino
16	187843.3	Health Insurance Exchange — HIA	Establishes a NM health insurance exchange run by a modified health insurance alliance	Yes	Yes	Sen. Feldman
17	187728.1	Dialysis center gross receipts	Provides a gross receipts tax deduction to certain dialysis centers	No	No	Sen. Cisneros

Legislative Health and Human Services Committee — 2012 Proposed Memorials				
	202#	Topic or Short Title	Description	Sponsor
18	187861.1	Money Follows the Person (MFP)	Request HSD to fully implement MFP	Sen. Lopez
19	187862.1	Medical cannabis study	Request the DOH to study effect of medical cannabis on other health care costs	
20	187981.2	Basic Health Program study	Requests HSD to do Basic Health Program study	Rep. Picraux