

MINUTES
of the
FOURTH MEETING
of the
LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

September 25-27, 2006
State Capitol, Room 322
Santa Fe

The fourth meeting of the Legislative Health and Human Services Committee (LHHS) for the 2006 interim was called to order by Representative Danice Picraux, chair, on Monday, September 25, 2006, in Room 322 of the State Capitol in Santa Fe.

Present

Rep. Danice Picraux, Chair
Sen. Dede Feldman, Vice Chair
Sen. Rod Adair (9/25)
Rep. William "Ed" Boykin
Rep. Keith J. Gardner (9/25, 26)
Sen. Mary Kay Papen
Rep. Jim R. Trujillo

Absent

Sen. Steve Komadina

Advisory Members

Sen. Sue Wilson Beffort (9/25, 26)
Rep. Ray Begaye
Rep. Gail Chasey (9/26, 27)
Rep. Miguel P. Garcia
Rep. Irvin Harrison (9/25, 27)
Rep. John A. Heaton
Sen. Gay G. Kernan
Sen. Linda M. Lopez
Rep. Antonio Lujan
Rep. Terry T. Marquardt (9/26)
Rep. Rick Miera (9/27)
Sen. Gerald Ortiz y Pino
Sen. Nancy Rodriguez
Rep. Edward C. Sandoval (9/25, 26)
Sen. Leonard Tsosie (9/26)
Rep. Luciano "Lucky" Varela (9/25)
Rep. Gloria C. Vaughn

Sen. Clinton D. Harden, Jr.
Sen. Timothy Z. Jennings
Rep. James Roger Madalena

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

Staff

Jennie Lusk
Raul E. Burciaga
Tim Crawford
Ramona Schmidt

Guests

The guest list is in the meeting file.

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

Monday, September 25**Deficit Reduction Act Impact on Medicaid Clients and Child Care**

New Mexico Voices for Children Deputy Policy Director Bill Jordan told the committee that parents have reported problems with finding adequate photo identification for school children to meet new requirements of the new federal Deficit Reduction Act (DRA), despite state efforts.

The biggest concern of the Voices organization was originally that Native American children would be found ineligible for Medicaid because many do not have birth certificates to prove citizenship. Reports from the field, however, indicate that parents have not been prepared to have to prove identity, especially of their younger children. Mr. Jordan reported that the Human Services Department (HSD) and Department of Health (DOH) have been working closely together to solve the problem and ease transition into the new requirements, and he has been pleased with departmental responses. However, he reported that Medicaid enrollment has dropped by approximately 30,000 clients and the identification problems could compound problems.

Baji Rankin, executive director of the New Mexico Association for the Education of Young Children, urged legislators to consider the DRA limitations as an opportunity to recognize that the state cannot depend on the federal government to fund child care for low-income working families. Federal policy has shifted from this high-priority item, yet the state should keep the needs of working families as a priority. She also urged legislators to expand child care supports outside the system of the Temporary Assistance for Needy Families Program as a commitment to serve all families so that future generations can grow up healthy and strong.

On questions from committee members, Dr. Rankin estimated that another \$10 million would be required to expand child care in New Mexico to 200 percent of the federal poverty level (FPL). Although Secretary-Designee Dorian Dodson at the Children, Youth and Families Department (CYFD) has requested a \$5.5 million expansion, a comparable request for the same increases from early childhood providers would be closer to \$18.5 million. The early childhood networks support both the CYFD request and whatever other money is required to bring support for child care assistance available to those who make up to 200 percent of the FPL.

Other issues raised by committee members were: getting more field offices in Native American country; limitations on Medicaid enrollment based on congressional immigration concerns and laws; whether pre-kindergarten programs intrude into child care quality initiatives; and scheduling of court proceedings on the HSD autoclosure policy.

Addressing the Unmet Needs of the Uninsured

Stacey Cox, executive director of the Community Action Agency of Southern New Mexico, described the broad-based programs operated by that agency, including developing assets both through individual development accounts and through links between middle-class mentors and lower-income workers. She said that the most important indicator of whether a person who loses a job will be poor in the coming year is whether that person knows two people from the middle class.

The agency finds itself trying to provide for basic needs rather than as a "band-aid" service provider in emergencies, and is finding that its services and needs do not match.

John Johnson, project director for the Healthy Communities Access Program, gave an overview of the three years of work done by 24 Dona Ana County health care providers in response to a suggestion that they apply for a federal grant. The federal grant funding has not been as expected, but the strength of the program is the three years of local collaboration, which has eliminated much duplication of effort. The providers have initiated a collaborative enrollment program and a system for scanning records (including birth certificates) so that clients can be served and information does not have to be re-created for each visit. The community's goal is to increase Medicaid enrollment by five percent and to reduce emergency room visits in the first year by three percent.

The groups will ask for \$500,000 in the upcoming session in order for the program to sustain itself for another year until the benefits of increased Medicaid funding and reduced emergency room costs are realized; to begin compiling historical data for baselines on indigent care; and to contract for evaluation of the effectiveness of the program through the Epidemiology Department at New Mexico State University (NMSU). The appropriation could probably be nonrecurring funds through the HSD, since the program should be self-sustaining before long. As it is, \$34 million in costs for indigent care are written off annually at Memorial Hospital and \$7 million at Mountainview Hospital, Mr. Johnson said, so with new software and collaboration, those costs could be greatly reduced, leaving more local funds available. He reminded the committee that estimates are that 32 percent of children qualified for Medicaid are not enrolled and that 33 percent of residents are uninsured or underinsured in New Mexico.

The HSD representative in attendance was asked to explain how and whether the department cooperates in data sharing with the local agencies.

Minutes

The minutes of the August 28-30, 2006 meeting in Silver City, New Mexico, were approved by unanimous vote.

Adult Protective Services and Nursing Homes

Secretary Debbie Armstrong and Adult Protective Services (APS) Division medical investigator Karen Wells, both of the Aging and Long-Term Services Department (ALTSD), discussed the need for an Adult Protective Services Act.

The two presented proposed revisions to New Mexico law to make the statutes more readable and to group topics related to elder neglect and abuse with other adult protective services. The nature of the charge to prevent elder abuse requires input from behavioral health, home health and other areas of concern in multidisciplinary teams, and the statutory organization should recognize this. Among the changes are clarifying the terms "capacity", "self-neglect", "facility" and "provider" and adding civil penalties to four sections of the act in order to make enforcement of the act more possible and more practical. The request for statutory revisions will not carry an appropriation with it.

Secretary Armstrong was joined by Katrina Hotrum, DOH, to distinguish the respective responsibilities of the two departments. The DOH oversees nursing facilities and follows up with residents when facilities close. The ALTSD focuses on investigating complaints and maintains and staffs a 24-hour hotline for abuse and neglect reports. The APS division of ALTSD has an individual focus; DOH has a focus on institutional training, certification and management.

Questions and suggestions by the committee included holding hearings for stakeholders on APS revisions, making education about exploitation a priority for the department and the number of complaints arising from nursing homes. The secretary said that there are approximately 12,000 reports per year, of which 6,000 are thrown out. Some 4,800 complaints are investigated, approximately 300 of which come from nursing facilities. She also noted that APS does not have jurisdiction on tribal lands, though it has a number of workers who can deal with native speakers off-reservation. The secretary said that ALTSD, DOH, CYFD and the attorney general created a Health Facilities Joint Protocol through which the agencies can share more information. Formerly, each agency could investigate a complaint, but could not pass its information along to the next agency. Lately, the attorney general left the voluntary protocol when the office's focus was narrowed to Medicaid fraud; the bulk of its investigation results had to be held confidential in any case. A major purpose of the protocol is to minimize the trauma to a victim of abuse or neglect forced to undergo interviews with several agencies on the same complaint.

Ms. Hotrum, formerly the ombudsman for long-term care, reported on the statewide employee abuse registry. While the registry has helped prevent abuse, it is useful only in tracking the history of a particular individual, and not a facility that has a pattern of employing abusive or neglectful staff.

The presenters answered questions from committee members, including the disposition of a complaint filed at the Miner's Hospital a few years ago; the requirements for staffing at

facilities that receive Medicaid; the Money Follows the Person Act; the state's shift in direction to a more self-directed waiver program in smaller settings; revisions of the residential care rules; the special needs population's priorities in long-term facilities and the caution required as fragile and Alzheimer patients are moved into more home-like settings; the close of ResCare and transition of its patients; and maintaining all services through a network of providers in a given area.

BA/MD Program

Valerie Romero-Leggott and Richard Sanchez, co-directors of the Undergraduate-to-Medical School Program created by the committee, introduced a first-year student, Estevan Apodaca, and BA/MD staff. The committee was thanked for creating the program, which is open to New Mexico high school graduates and nearly guarantees a college freshman admission to medical school upon graduation after a preparation program that includes close mentoring and a curriculum that focuses on success in medical school. Of the first class, two-thirds are minority candidates, and students take seminars in economics, journalism and communications, health medicine and human values and cultural content, among other classes, and spend two summers in service learning. The entirety of the class lives together throughout its undergraduate years and has the same advisor. The program provides for financial needs of those who could not otherwise participate. Currently, there are 16 faculty members. Of 141 applicants, 30 were accepted, five of them as alternates. Of the first class, eight required at least one remedial course.

On questions from committee members, presenters discussed details of their outreach program, nationally available programs that compare with the New Mexico program, means of preparing for the medical school entrance examination and the opportunity to spend four weeks each summer in a practicum in rural New Mexico.

Introduction of New Committee Member

Representative Irvin Harrison was introduced by the chair to the remainder of the committee after he was appointed by the Legislative Council to the LHHS.

Hispanic Health Report

Dr. Eva Pacheco, Hispanic Medical Association, discussed creating a "pipeline". The "pipeline" concept was among initiatives recommended after the statewide seminar on racial disparities in health. The pipeline encourages and involves students beginning in middle school to consider entering medical careers. The federal funding of \$643,000 for the program will be gone altogether by June 2007 and, without state help, the program is likely to end. The appropriation needed will be approximately \$500,000. Another initiative recommended through the seminars was a state information technology program linking nurses, nurse practitioners and case managers while also collecting data on ethnicity, race and primary language. Finally, the seminar attendees requested an appropriation of \$25,000 to cover a study of hiring patterns for faculty at New Mexico health facilities and at the University of New Mexico (UNM), NMSU and New Mexico Highlands University.

Public Comment

Reba Eagles, a family provider under the Developmental Disabilities Waiver Program, complained about cuts to the program and circulated materials documenting her problems with the DOH. DOH representatives were asked to present answers to her problems the next morning.

Recess

The committee recessed at 5:10 p.m.

Tuesday, September 26

Representative Picraux called the meeting to order at 9:10 a.m.

Bernalillo and Taos Counties of the Regional Health Information Organizations (RHIOs) or Health Information Exchanges

Jeff Blair, director of informatics at Lovelace Clinic Foundation, presented to the committee on the planning framework to establish a statewide health information infrastructure for New Mexico. Mr. Blair discussed the purpose; the challenges faced by the United States health care delivery system; challenges that appear to defy solutions; the convergence toward a solution; the growing understanding of health information technology; health information infrastructure (HII) becoming a high priority; the bipartisan support; privacy and security requirements; HII components; electronic health record (EHR) systems; the EHR system for a single health care facility or medical practice; the health information exchange (HIE) network; the telehealth network; the e-prescribing network; the payer-provider (reimbursement) network; the personal health record (PHR) networks; specialized health care programs; the state of New Mexico public health and health care information programs; the roles related to EHR systems; the roles related to telehealth networks; the roles related to e-prescribing networks; the roles related to payer-provider transaction networks; and the roles related to PHR networks. Mr. Blair stated that privacy and security need to be top priorities. He noted that much of the work has been done by the private sector and the federal government and the state should intelligently look at the gaps and how to fill in the gaps.

Committee discussion covered physician tort liability under state and federal law; the impact of privacy requirements related to electronic medical records; federal health information policy; the cost to the state of implementing HIPAA requirements; reimbursement and physician pay for performance issues. In response to a concern raised on security protections related to electronic medical records, Mr. Blair stated that patient medical records will still be housed at the location where the patient is seen for care and further discussed authorization for access.

Telehealth in New Mexico

Bob Mayer, chair, Governor's Telehealth Commission, chief information officer, DOH, spoke on telehealth in New Mexico and stated the commission will propose changes to the New Mexico Telehealth Act, emphasizing insurance reimbursement for telehealth and expansion of covered providers. Mr. Mayer shared the programs for FY07, which will be expanded for FY08. He gave a summary for FY07 relating to equipment/circuits; pilot programs; electronic medical

records; HIE; reimbursement rule changes; and prescribing rules changes. The summary for FY08 includes pilot programs (remote monitoring); program expansion; statute changes; network management agreement; the HIE, pilot clinical service hubs; and electronic medical records.

Committee members raised concerns regarding patient privacy through a telehealth link and third-party payer reimbursement for telehealth.

Project ECHO (Hepatitis C)

Dr. Sanjeev Arora, professor of gastroenterology and hepatology, executive vice chair, Department of Internal Medicine, UNM, principal investigator for Project ECHO, stated the goals of the ECHO Program are to develop the capacity for safely and effectively treating hepatitis C in all areas of New Mexico; to monitor outcomes; and to develop a model to treat complex diseases in rural locations and developing countries. He reviewed the facts related to hepatitis C in New Mexico and reminded the committee that hepatitis C was discovered in 1989. Dr. Arora stated that his method is to use technology to leverage scarce health care resources. He uses a disease management model, case-based learning and a centralized database that is HIPAA-compliant to monitor outcomes. Under the model, steps include training providers, nurses, pharmacists and educators in hepatitis C; installing protocols and software on site; conducting regular telemedicine clinics; initiating co-management; collecting data and monitoring outcomes centrally; and assessing cost and effectiveness of programs. Dr. Arora stated that Project ECHO works for any disease and hepatitis C was the pilot program. He noted that it is very important to use best practice protocols and the importance of the role of knowledge network. Through Project ECHO, a new cadre of physicians well-informed about hepatitis C is being developed and the cadre will, in turn, train other new physicians through telehealth consultations statewide.

Dr. Arora stated that Project ECHO barriers include rural physician time; inadequate nursing resources; and connectivity for rural clinics. He reviewed the Project ECHO clinic sites located throughout the state. He stated that the project's emphasis is shifting toward physicians in rural clinics developing patient-specific knowledge on demand and access to case-specific information. He shared Project ECHO's area of focus, Project ECHO benefits and potential future applications. Dr. Arora clarified that telehealth is not a UNM priority and so he is not requesting an appropriation on behalf of UNM. In response to a question as to the funding he would need, Dr. Arora stated he would need \$750,000 for expansion throughout the state. Greg Geisler, Legislative Finance Committee analyst, will meet with Dr. Arora to clarify budget requests.

Committee discussion occurred on the origins of hepatitis C; future expansion of Project ECHO into more counties within the state; the criteria for those diseases that could be addressed through Project ECHO; the voluntary nature of the physician telehealth participation; and resistance by some physicians because they want hands-on treatment. Dr. Arora clarified that Project ECHO is in partnership with the DOH and half of the project is prevention.

Bernalillo and Taos Counties of the Regional Health Information Organizations (RHIOS) or Health Information Exchanges

Maggie Gunter, Ph.D., project director, New Mexico Health Information Collaborative, and president of the Lovelace Clinic Foundation (LCF), gave an overview on the background of the LCF, whose mission is applied health research and education to improve the quality, efficiency, availability and cost-effectiveness of health care in New Mexico and the United States. She stated that the LCF has been a pioneer in disease management and the area of best practices.

Dr. Gunter said the overall goal of the start of the RHIOS Program was to build a cross-system HIE in Bernalillo and Taos counties with plans to expand statewide. The expansion will allow health care providers, with patient consent, to locate all of a patient's records across multiple health care facilities. She stated there is much data available currently and that when a physician has access to shared data, it improves care. The long-term vision is to create a statewide HIE that improves quality, coordination and efficiency while restraining costs and to create a culture of personal accountability for health.

Dr. Gunter noted that health IT is a national priority. She stated that benefits to New Mexico of the RHIOS Program include reducing duplication and costs; improving care; improving detection and management of pandemics, mass disasters and bioterrorism; streamlining of mandated public health reporting; allowing community-wide disease management for chronic diseases; sharing clinical information through telehealth at both ends of the encounter; and attracting businesses that relocate based in part on high-quality, cost-effective health systems. With another three years of funding to leverage the current federal and state funding to fully implement the current system, Dr. Gunter said RHIOS could result in a sustainable business model based on subscriptions paid by users. She stated the program is seeking funding through various resources and recognizes the valuable funding available through the state.

It was clarified that the budget request for recurring operations is \$1.3 million and \$1.1 million for a capital budget request. Dr. Gunter clarified that there are grant requests pending that could have an impact on the amount requested and she will keep the committee informed of the effects on the request.

Cavernous Angioma, Hereditary Illness in the Hispanic Population of Northern New Mexico

Dr. Leslie Morrison, New Mexico neurologist and researcher, and Joyce Gonzales, advocate for the Cavernous Angioma Alliance and genealogist, addressed the committee members on cavernous angioma. Ms. Gonzales stated that cavernous angiomas are clusters of abnormal blood vessels found in the brain, spinal cord and, rarely, in other areas of the body. For at least 20 percent of those with the illness, cavernous angioma is inherited. It affects up to one out of 200 individuals in the state.

In response to a question of whether early testing could reveal the diagnosis of cavernous angioma, Dr. Morrison stated it is a dilemma without a definitive answer at this time since cavernous angioma is not detected until there has been a bleed and it is revealed through an MRI scan. Genetic testing for the disease is possible, but whether a patient actually develops the angioma and its location is detected through MRI. Most medical insurance will only cover the imaging. The less expensive genetic testing could eliminate the need for an MRI scan for some patients. Dr. Morrison stated that most efforts for cavernous angioma funding have been largely volunteer and there is not current data that has been gathered to track demographics and mortality. She noted that obtaining funding is difficult for such a regionally specific disease as this. Dr. Morrison stated that the funding request would be approximately \$100,000, with \$50,000 to launch an educational campaign including grand round presentations and family education, \$20,000 for genetic testing and \$30,000 to maintain and advance the ability to use the database.

A packet was distributed to committee members regarding endorsement of a memorial on the study of aspartame.

Health Professional Obligation Programs

Dr. Jerry Harrison, executive director of New Mexico Health Resources, and Dr. Alex Griego addressed the committee regarding recurring funding for programs through NMHED and the DOH. Dr. Harrison requested funding for:

- New Mexico loan repayment and New Mexico loan for service:
 - to increase the primary care allowed amount from \$12,500 to at least \$25,000 and to increase funding to the loan repayment program by \$2 million; and
 - to create a "specialist loan repayment" program; five awards of \$100,000 each, administered by NMHED and DOH;
- nursing faculty retention to continue at least \$3 million to \$5 million for nursing faculty and to increase faculty salaries;
- dental programs to increase Western Interstate Commission for Higher Education (WICHE) loan for service dental funding (recurring) for 15 additional slots, to increase New Mexico Health Services Corps dental funding (recurring) and the UNM dental residency funding for \$500,000;
- anticipate federal funding cuts (HRSA) in training for health professionals; and
- minority student BA to DDS program.

Handouts were distributed to the committee, including a summary of the New Mexico pre-dental student data involving applicant and first-year enrollees statistics and 2006-07 early look statistics; a three-year expenditure analysis on health loan-for-service programs; and the estimated FY08 budget for WICHE loan-for-service. Dr. Harrison encouraged committee members to fund the programs as fully as possible. Dr. Griego, who was a member of the WICHE Program, was introduced and spoke about his personal loan situation. Discussion occurred on recruitment issues, funding for current slots and students in the pipeline. The committee asked Dr. Harrison to resubmit his request to specify what the priorities are, as well as specific needs. Senator Kent L. Cravens, who was in the audience, stated the \$1.6 million is necessary to continue current progress.

The committee voted to send a letter regarding the "J1" visa program that permits foreign-trained medical students to complete residencies in the United States and that is now in jeopardy. The committee instructed staff to write a letter on this topic to the New Mexico congressional delegation.

Synopsis of Oral Health Developments in New Mexico

Patricio Larragoite, executive director, New Mexico Health Policy Commission, stated the goal of the Governor's Oral Health Council is to raise awareness of oral health within the state. A matrix addressing topics, accountable entities, goals, objectives, activities and performance measures was distributed. Dr. Larragoite stated there is a legislative request to expand the funding for the dental club to other entities. Jane Batson, UNM-Roswell, updated the committee on dental hygiene educational programs funding. She stated that according to the Labor Department occupational employment projects in New Mexico for 2002-2012, the need for dental hygienists will increase by 44.6 percent during the 10-year period. She reviewed the need for dental hygienists in southeastern New Mexico and stated there is a request for a total of \$420,000 for program costs for each institution of \$140,000, which includes full-time faculty salary and benefits, telecommunications expenses, supplies and equipment.

Dr. Gary Cuttrell, chief of dentistry at UNM, addressed the committee and reviewed the dental residency program. He stated the residency program, which is an ADA-accredited general dentistry residency program, began three years ago as a one-year program. Dr. Cuttrell said he is looking at ways to increase residency training to ensure that participants become well-rounded practitioners and to expand the residency in Roswell. He stated the Roswell residency expansion budget includes salary support of \$350,000, ongoing program development of \$125,000 and travel for \$25,000.

Wayne Powell, associate director, Center for Community Partnerships and the Institute for Public Health, UNM School of Medicine, Family and Community Medicine Department, and project director, Community Voices New Mexico, addressed the committee on Bridging the Gap; Partnerships Between Dental Schools and Colleges to Produce a Workforce to Fully Serve America's Diverse Communities, which is funded by the Kellogg Foundation's Community Voices Project - Morehouse School of Medicine Project Office. He pointed out that access to dentistry is a national problem. He stated the underrepresented minority student enrollment in

the nation's dental schools has remained almost flat over the past 15 years. Mr. Powell spoke of the proposed models environment and said a new model offers pathways that would work best in settings where minority-serving universities/colleges can affiliate with a cluster of dental schools and establish kindergarten-12 pipeline programs or a health careers magnet high school. Mr. Powell stated this is not a budget item at this point until further discussion with other entities occurs.

Sam Howarth, DOH, and Dr. Ray Lyons, director of the Developmental Disabilities Program of DOH, stated the developmentally disabled segment of the community has a special need for oral health. Mr. Howarth said studies show that very few dentists are trained in the type of additional care required by this population. The state has developed two additional resource centers to act as safety nets and serve as training facilities. Mr. Howarth noted both of these facilities require upgrades in equipment to provide the care required and additional funding could provide care through a number of liaisons. He stated that DOH is requesting \$500,000 to expand services and formalize its relationship with UNM to form partnerships and is also asking for \$500,000 for dental care for children ages birth to six and pregnant women. Dr. Harrison reminded the committee of the previous funding requests for the WICHE Program and the successes being seen.

Dr. Larragoite stated there is a request for a formal feasibility study for another dental school in the state. The 2007 legislative proposal was presented to the committee.

The committee broke into subcommittees to address specific topics and funding requests.

Recess

The subcommittee 1 meeting recessed at 5:30 p.m.; the subcommittee 2 meeting recessed at 6:00 p.m.

Wednesday, September 27

Developmental Disabilities Waiver Family Living (Home-Based) Services

Ms. Hotrum and Steve Dossey, DOH, presented to the committee on the Developmental Disabilities Waiver Family Living (Home-Based) Services. Ms. Hotrum stated that every five years, the department's federal application has to be renewed for the developmental disabilities waiver. Centers for Medicaid and Medicare Services (CMS) has informed the department that as of this year, it is no longer permitted to provide respite services for the same time period that a home-based service is being charged. Ms. Hotrum said that CMS recognizes the need for family caregivers to be able to take time off and that it will continue to allow the state to continue funding substitute care as part of home-based services. However, the New Mexico attorney general will no longer allow this charge to be included in part of a blended rate or payment bundle. Ms. Hotrum noted that, in effect, the payment has not changed, though there is a provision built in to penalize a family provider who goes over 54 respite hours in a given month. She said that home-based services are in the same billing category and will not be paid jointly.

Committee Reports and Recommendations

Subcommittee 1

Representative Heaton reported that subcommittee 1 endorsed all of the requests presented. Senator Papen stated that although she was not part of the subcommittee hearing the requests, she feels the Mesilla Valley Community of Hope funding request is not for an appropriate funding level and stated it is her hope that the funding will be increased substantially over the \$60,000. Senator Papen made a motion to increase the funding for \$60,000 for each of the five services provided through the Mesilla Valley Community of Hope for a total of \$300,000.

Representative Heaton expressed his continuing concern that there are worthy programs such as Mesilla Valley Community of Hope throughout the state, but there appears to be no centralized method for proportional funding for similar entities less organized to request funding through the legislature. Representative Picraux suggested a memorial or bill to address establishment of a centralized system for distribution. Representatives from the New Mexico Coalition to End Homelessness and the Veterans Association will be invited to the November meeting to address funding. Representative Chasey asked that a letter be sent to the New Mexico congressional delegation addressing concern with the homelessness issue facing New Mexico veterans.

The motion was moved and approved by the committee for a funding request of \$300,000 for Mesilla Valley Community of Hope.

Representative Heaton reported that the subcommittee endorsed a request made by the New Mexico Coalition to End Homelessness for its priorities, which include:

- increasing state funding for homeless programs by \$500,000 (from \$950,000 to \$1.45 million) to reward the most effective programs;
- \$10 million to create the affordable housing trust fund; and
- creating a state supplement to federal supplemental security income (SSI) payments (approximately a \$10 million appropriation).

The National Dance Institute has an appropriation currently of \$400,000 and requests an increase to \$1,025,000 for expansion in addressing in part the obesity issue facing youth in the state.

A motion was made to adopt the subcommittee 1 report as amended, seconded and approved.

Subcommittee 2

Subcommittee 2 reported hearing three issues — brain injury, Santa Fe Clubhouse and the UNM Center for Development and Disability. The brain injury request is a nonrecurring request for \$150,000, which the subcommittee endorsed. The Santa Fe Clubhouse requested funding of \$1.5 million for purchase of a building through capital outlay and a one-time appropriation of \$250,000 for operating expenses for FY08. It was clarified that the purchase of the building would be through Santa Fe County, which would make the formal request in the capital outlay hearing process. The UNM Center for Development and Disability presentation was cut short due to closing of the building. A motion was made to accept the subcommittee 2 report, with the request for Catherine Hebenstreit, Santa Fe Clubhouse or a Santa Fe County representative to address the capital outlay request.

Public Comment

Stephen Fox presented before the committee and shared a speech presented to the United Kingdom Parliament regarding the health effects of artificial sweeteners. Mr. Fox reviewed issues related to the use of aspartame. He also asked the committee to endorse a bill banning the use of the artificial sweetener aspartame in food products. Senator Ortiz y Pino stated he is trying to bring to light the problems related to aspartame and invited committee members to sign a letter raising awareness to these issues if they so choose.

PACE (Program of All-Inclusive Care for the Elderly)

Charlie Alfero, chief executive officer, Hidalgo Medical Services (HMS), introduced Gina DeBlassie, vice president of operations, and Dr. Mark Wesselman, medical director for Total Community Care, LCC, based in Albuquerque, who addressed the committee on the Program of All-Inclusive Care for the Elderly (PACE).

Ms. DeBlassie stated that PACE is fully integrated acute and long-term care for frail older adults and is the only federally qualified provider type that fully integrates all Medicare and Medicaid services. She noted that PACE services those 55 years of age or older living in a designated PACE service area who are certified as needing nursing home care and are able to live safely in the community with the services of the provider organization at the time of enrollment. Dr. Wesselman reviewed how the interdisciplinary team works and stated that in the PACE model, an adult day health center becomes the focal point of service delivery. Services are often provided directly in the day center setting.

Ms. DeBlassie stated that the services provided through PACE include hospital inpatient, durable medical equipment, adult day care, dental, therapy and nursing home services. The care is coordinated and all specialty visits are arranged through the PACE staff in collaboration with the interdisciplinary team and others throughout the community. The hospitalization rates are comparable to those of the healthy Medicare population. The key features of PACE include flexibility, all-inclusive care and interdisciplinary care with capitated financing. Ms. DeBlassie stated that there is a national PACE association including 42 PACE provider members and 29 prospective provider members. The demographics of the individuals served through the PACE model in Albuquerque and the per member per month capitation was

reviewed. Some of the natural expansion is taking components of the PACE model and introducing it into rural areas.

Ms. DeBlasie reviewed the Wisconsin Partnership Program, which is an adaptation of PACE, that allows for viability in both urban and rural communities and serves populations besides frail elders. Discussion occurred as to the cap placed on the program. The total community care's FY07 contract, which includes 3,810 member months, 78 member months designated for nursing home relocation and the contract, allows for a net of three new enrollments per month (one nursing home relocation). It was clarified that the cap on the program does not allow for expansion within the state.

Les Rubin, Hidalgo Medical Services, addressed the committee on the integrated delivery service model offered through HMS. He stated that demographic information reflects that HMS has over 1,500 users over the age of 65 and a little less than that number between the ages of 55 and 65, and noted that southwestern New Mexico demographics will most likely change as more retirees relocate. Mr. Rubin stated that a program such as PACE allows the opportunity for rural residents to consider options other than nursing home care.

Ms. DeBlasie said Total Community Care is looking for support of the expansion of the PACE model. Senator Feldman reminded committee members that it was the conclusion of the Medicaid Task Force that the PACE model be embraced, but it appears that with the cap on the program by the state, the opposite result has occurred. Doyle Smith, ALTSD, stated the PACE model, after its move from Medicaid to ALTSD, works very well and the satisfaction level is very high with competitive costs. He noted that the funding and budget concerns are addressed through HSD.

Mr. Burciaga clarified that it had been the recommendation of the Medicaid Task Force to expand rural PACE programs and its recommendation was passed in statute. The statutory language, however, allows expansion "as resources allow". Dr. Wessleman clarified that the PACE enrollees have the opportunity to disenroll. Committee discussion involved the PACE budget, the cap by HSD on funding and the availability of state funds for these projects. Mr. Alfero requested the committee to expand the existing program, and will provide the committee with the amount of the appropriation required at a future meeting.

In response to committee inquiry, Larry Heyeck, deputy director of the Medicaid Assistance Division of HSD, clarified that there is a cap on the number of enrollees in Total Community Care. He stated the department has been speaking with total community care regarding the wait list and also with ALTSD regarding the need for expansion into Rio Rancho or the current location. Mr. Heyeck stated that Secretary Armstrong has met with Governor Richardson for additional funding on this issue.

It was clarified that Total Community Care is compensated by both Medicare and Medicaid and is one of the few integrated plans within the state. Mr. Heyeck stated there is not currently a rural PACE model in the state. He noted that HSD has issued a request for proposal

(RFP) to develop a long-term care strategy and is currently working with two organizations, EverCare and AmeriGroup, to develop such a strategy.

A committee member suggested that the PACE model, which is already in the state, should be looked at for a pilot project rather than contracting with outside organizations. Mr. Heyeck reviewed the history of seeking a provider for long-term community care, explaining that the department's original RFP was modified after meetings with stakeholders. While Total Community Care did respond to the RFP, and while the two programs are similar, the service model used by EverCare and AmeriGroup was preferred.

Community Services Block Grant

Cathy Sisneros, bureau chief, Work and Family Support Bureau, HSD, spoke to the committee on the Community Services Block Grant (CSBG) and introduced Yvonne Rodriguez-Ulanowicz. Ms. Sisneros stated there were three documents distributed, including two documents for the committee members to review at their leisure. She stated the block grant provides a flexible funding source to local communities through a network of community action agencies for the reduction of poverty. Ms. Sisneros said a legislative hearing is required every three years in conjunction with the state plan due on September 1, 2007 and so the two are presenting before LHHS to seek legislative input. Ms. Sisneros reviewed the following components: designation, CSBG federal funding, required allocation of funds, New Mexico CSBG-eligible entities, geographic areas served, fund distribution to community action agencies, New Mexico service initiatives, some FFY 2005 outcomes, HSD fiscal controls and monitoring and CSBG's uncertain future.

Ms. Sisneros asked committee members to review the September 2007 state plan and provide any input by December 31, 2006 to Yvonne Rodriguez-Ulanowicz, program manager.

Committee members asked about discretionary funds expended, the availability of information on community action agencies, accountability of community action agency boards and the effectiveness of community action agencies.

Senator Papen requested a letter be sent to the New Mexico congressional delegation to encourage it not to cut funding to the CSBG because of the incredible need for those in poverty. The motion was made, seconded and approved.

Public Comment

Ona Porter stated she would like to celebrate New Mexico's action agencies and noted that New Mexico is one of the few states in the nation that has agreed across all agencies as to what indicators and measurements to follow, along with a unified reporting system. She said the community action network is being recognized for best practice state in the nation for the New Mexico Assets Consortium.

John Martinez, executive director, HELP New Mexico, shared the status of the community action agency and distributed information on his agency and asked the committee to support the agencies through the state.

Adjournment

Representative Picraux adjourned the meeting at 1:12 p.m.