

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

**September 4, 2020
Video Conference Meeting**

The third meeting of the Legislative Health and Human Services Committee was called to order by Senator Gerald Ortiz y Pino, chair, on September 4, 2020 at 9:15 a.m. by video and audio conference via an online platform.

Present

Sen. Gerald Ortiz y Pino, Chair
Rep. Deborah A. Armstrong, Vice Chair
Rep. Gail Armstrong
Rep. Joanne J. Ferrary

Absent

Sen. Gregg Fulfer
Rep. D. Wonda Johnson
Sen. Bill B. O'Neill
Sen. Cliff R. Pirtle

Advisory Members

Rep. Phelps Anderson
Rep. Karen C. Bash
Rep. Micaela Lara Cadena
Rep. Rebecca Dow
Sen. Linda M. Lopez
Rep. Tara L. Lujan
Rep. Rodolpho "Rudy" S. Martinez
Sen. Michael Padilla
Sen. Nancy Rodriguez
Rep. Patricia Roybal Caballero
Sen. Elizabeth "Liz" Stefanics
Rep. Elizabeth "Liz" Thomson
Rep. Christine Trujillo

Rep. Rachel A. Black
Rep. Zachary J. Cook
Rep. Doreen Y. Gallegos
Rep. Miguel P. Garcia
Sen. Gay G. Kernan
Sen. Mark Moores
Sen. Mary Kay Papen
Rep. Andrea Romero
Rep. Gregg Schmedes
Sen. Antoinette Sedillo Lopez
Sen. William P. Soules
Sen. Bill Tallman

Guest Legislator

Rep. Marian Matthews

Staff

Andrea Lazarow, Legislative Council Service (LCS)
Nancy Martinez, LCS
Tom Kricka, LCS

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

Friday, September 4

Welcome and Introductions (9:15 a.m.)

Senator Ortiz y Pino and Representative Deborah A. Armstrong welcomed committee members and attendees.

COVID-19: New Developments in Delivering Medical Assistance Programs and Services (9:30 a.m.)

Nicole Comeaux, director, Medical Assistance Division, Human Services Department (HSD), and Dr. David R. Scrase, secretary, HSD, made a presentation to the committee on new developments in delivering medical assistance programs and services in the state. The presentation can be found here:

<https://www.nmlegis.gov/handouts/LHHS%20090420%20Item%201%20A%20MAD%20Comeaux.pdf>.

Comments from committee members included the following:

- the HSD hopes to adopt and keep initiatives that are going well during the pandemic, including the successful telehealth initiative;
- the HSD had a lag in processing claims after April but is catching up;
- there are concerns regarding provider rate increases and claims based on date of service instead of date of submission;
- the HSD is involved in maintaining childhood vaccination rates and is hoping to receive federal funding for its program;
- there would be significant cost to expand health care services to undocumented persons, so the HSD is covering those individuals through the federal Health Resources and Services Administration portal;
- statewide, all agency departments will have a 5% reduction in funding, and the Medicaid budget will be reduced by 3%;
- hospitals only count COVID-19 cases based on a positive test result and risk losing funding if they falsely report the number of cases;
- there is concern that anti-vaccine sentiment will grow during the COVID-19 pandemic;
- 82% of Medicaid participants are enrolled in managed care, and 43% of Medicaid participants are children;
- Medicaid covers 72% of all births in the state;
- there is no charge for COVID-19 testing, even for people without health insurance; people should bring their insurance cards for recordkeeping purposes, but having an insurance card is not a requirement for getting a COVID-19 test;
- insurance companies are required to cover the cost of COVID-19 testing;
- a significant shortfall in Medicaid funding is expected in the coming years;
- the HSD is working with food banks through the federal Supplemental Nutrition Assistance Program; and

- behavioral health service providers did not receive federal Coronavirus Aid, Relief, and Economic Security Act funding, and now there are concerns that there will not be adequate resources to deal with the predicted surge in the demand for behavioral health services.

Extending Health Care Coverage to New Mexico's Uninsured (11:30 a.m.)

Jessica S. Banthin, Ph.D., senior fellow, Health Policy Center, Urban Institute, and Abuko D. Estrada, J.D., coverage innovation officer, Medical Assistance Division, HSD, made presentations to the committee on extending health care coverage to uninsured persons in the state. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=LHHS&Date=9/4/2020&ItemNumber=2>.

Comments from committee members included the following:

- the study did not address the ability of undocumented individuals to purchase health insurance in the exchange;
- there was a proposal for an enhanced surtax on carriers to pay for premium and cost-sharing assistance; and
- a premium tax credit is one way that the federal government helps lower the cost of premiums for health services to low-income families; an individual does not have to have federal tax liability to be eligible for a premium tax credit.

Approval of Minutes (12:42 p.m.)

Upon a motion by Representative Deborah A. Armstrong, seconded and with no objections, the minutes of the July 31, 2020 and August 21, 2020 meetings were approved.

Public Comment (1:17 p.m.)

Comments from members of the public included the following:

- Jay Suvoda, retired physician, expressed support for the proposed Health Security Act (HSA) because of the benefits it will provide to people and its affordability for the state;
- Ashley Wagner, New Mexico Association of Commerce and Industry, posed questions about KNG Health Consulting's report on the proposed HSA, including concerns about what will happen if fewer employers and employees participate, if the state would be forced to use payroll taxes to make up for any shortfalls in voluntary participation and how implementation of the HSA would impact the economy of the state;
- Barbara Webber, executive director, Health Action New Mexico, urged the committee to support legislation to create a Medicaid easy enrollment option because it is a simple way to enroll the uninsured by leveraging the tax system;

- Bill Jordan, New Mexico Voices for Children, urged the legislature to maximize the Medicaid budget by taking advantage of federal funding; he said that he hopes there will be an expansion of health care coverage in the state and that more attention needs to be paid to people in rural areas who are facing higher rates of COVID-19;
- Gabriella Rivera, Health Action New Mexico, pointed out that over 100,000 people in New Mexico are eligible for Medicaid or subsidized coverage but remain uninsured, and she urged support for legislation to provide an easy enrollment option;
- Mitchell Rekow, special education teacher, spoke in support of the HSA and said that people with fewer resources, including those with preexisting conditions, are suffering disproportionately from the COVID-19 pandemic;
- Molly Graver, healthcare director, New Mexico Center on Law and Poverty, spoke about the problems of immigrant families who are excluded from coverage and about people being charged for COVID-19 tests; she said that New Mexico should leverage federal funding for uninsured patients, New Mexicans should not go into debt over medical bills and low-income families tend to not seek medical care if they are worried about how much the medical care will cost; she urged the legislature to make emergency Medicaid cover all COVID-19-related care and pass a medical debt protection act as other states have done;
- Paul Gibson, co-founder, Retake Our Democracy, urged passage of the HSA because it will provide universal coverage and save the state money; he said that low-income individuals face problems accessing timely health care, essential workers are much more likely to contract COVID-19 and lose health insurance due to job loss and coverage under the proposed HSA would reduce workers' compensation costs, auto insurance rates and administrative costs; and
- Shelly Man-Lev, co-president, New Mexico Public Health Association, urged the legislature to pass the HSA to ensure that everyone in the state has a right to health coverage.

Overview of Options for Health Care Coverage in New Mexico (1:46 p.m.)

Representative Deborah A. Armstrong, Jeffery Bustamante, chief executive officer, BeWellNM, and Russell Toal, M.P.H., superintendent of insurance, presented an overview of options for health care coverage in New Mexico. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=LHHS&Date=9/4/2020&ItemNumber=3>.

Comments from committee members included the following:

- people who lose health insurance coverage can apply for coverage through BeWellNM or Medicaid, but they need to do so within 60 days;
- premiums only pay a small portion of the cost of health care; all other costs are covered by insurance carriers that pay tax based on premium business done in the state, which provides a tax credit to insurers against the premium taxes;

- the superintendent of insurance does not have authority over the public employee and retirement benefit programs but does assist in cost planning and data analysis;
- a recommendation was made to consolidate insurance programs in the state into a single pool instead of four separate plans and pools;
- 12 to 15 states have a state insurance pool;
- there are about 2,800 people in the insurance programs in New Mexico, and approximately 10% of those participants may not be United States citizens; and
- there is no federal money used in the state programs.

Public Comment (3:08 p.m.)

Comments from members of the public included the following:

- Eleanor Chavez, executive director, National Union of Hospital and Health Care Employees District 1199 NM, stated that the more than 5,000 employees represented by the union stand in support of the proposed HSA; and
- Dr. Tyler Taylor, family physician, stood in support of the proposed HSA and said that New Mexico's health care providers support the proposed HSA, including the New Mexico Public Health Association, the New Mexico Medical Society, the New Mexico Academy of Family Physicians, the New Mexico Psychiatric Association, the New Mexico Nurses Association, the New Mexico Pharmacists Association and the New Mexico Society for Acupuncture and Asian Medicine.

The Health Security Act (3:20 p.m.)

Mary Feldblum, Ph.D., executive director, Health Security for New Mexicans Campaign, and Lane Koenig, Ph.D., president, KNG Health Consulting, made a presentation to the committee on the proposed Health Security Act. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=LHHS&Date=9/4/2020&ItemNumber=4>.

Comments from committee members included the following:

- the HSA would allow for secondary insurance coverage, and private insurance companies would be third-party payers;
- the benefits offered under the HSA can be no less than what state employees are offered;
- lower costs will result from reducing administrative and overhead costs and prescription drug prices;
- individual contributions under the HSA are structured similarly to the federal Patient Protection and Affordable Care Act (ACA), but contributions under the ACA are greater than those under the comparable employer-sponsored insurance scenarios;
- potential cost increases to New Mexico businesses would be much larger for employers that are not currently making contributions to employee health insurance;

- the HSA would be the most ambitious public health care reform in the United States, which carries great risk;
- the HSA would have automatic enrollment;
- under the HSA, the state would still need a high-risk insurance pool because the plan would not take care of some Medicare patients, and self-insured employers could still be self-insured with no penalty;
- information from the Legislative Finance Committee shows that there would be a discount on prescription drug prices;
- currently, physicians spend a lot of time on administrative tasks specific to each carrier, which takes time away from patient care;
- payments by small businesses would be based on payroll and the number of employees; currently, the premium system is fixed, but a more flexible program could accommodate businesses that are suffering;
- the HSA would provide for a citizens board and a nominating committee; the board would be responsible for developing the plan and must be responsive to the public;
- the insurance industry would have to adjust to the changes resulting from the HSA; some insurers may hope to become third-party payers; and
- there is concern about how the HSA could be implemented when there is a budget shortfall caused by the COVID-19 pandemic and the related economic downturn.

Adjournment

There being no further business before the committee, the meeting adjourned at 5:21 p.m.