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

September 21-24, 2015
University of New Mexico, Student Union Building, Ballroom C, Albuquerque
CHI St. Joseph's Children, 1516 Fifth Street NW, Albuquerque

The fourth meeting of the Legislative Health and Human Services Committee (LHHS) was called to order on September 21, 2015 by Senator Gerald Ortiz y Pino, chair, at 8:42 a.m. in Ballroom C of the Student Union Building at the University of New Mexico (UNM) in Albuquerque.

Present
Sen. Gerald Ortiz y Pino, Chair
Rep. Nora Espinoza, Vice Chair
Rep. Deborah A. Armstrong
Rep. Miguel P. Garcia (9/21, 9/22, 9/23)
Sen. Gay G. Kernan
Sen. Mark Moores (9/21, 9/23, 9/24)
Sen. Benny Shendo, Jr. (9/21, 9/24)

Absent
Rep. Tim D. Lewis

Advisory Members
Sen. Sue Wilson Beffort
Sen. Jacob R. Candelaria
Rep. Gail Chasey (9/21, 9/23)
Sen. Linda M. Lopez (9/21, 9/22, 9/23)
Rep. James Roger Madalena
Sen. Cisco McSorley (9/21, 9/22, 9/23)
Sen. Howie C. Morales (9/21)
Sen. Bill B. O'Neill (9/21, 9/23)
Sen. Mary Kay Papen (9/22)
Sen. Nancy Rodriguez
Rep. Patricio Ruiloba
Sen. William P. Soules (9/21, 9/22, 9/23)
Sen. Craig W. Brandt
Rep. Doreen Y. Gallegos
Sen. Daniel A. Ivey-Soto
Rep. Terry H. McMillan
Sen. Sander Rue
Sen. Mimi Stewart
Rep. Don L. Tripp
Rep. Christine Trujillo

Guest Legislator
Sen. Carroll H. Leavell (9/24)

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

Staff
Michael Hely, Staff Attorney, Legislative Council Service (LCS)
Shawn Mathis, Staff Attorney, LCS
Nancy Ellis, LCS
Diego Jimenez, LCS
Erin Bond, LCS

Guests
The guest list is in the meeting file.

Handouts
Handouts and other written testimony are in the meeting file.

Monday, September 21

Welcome and Introductions
Senator Ortiz y Pino welcomed those assembled and asked committee members and staff to introduce themselves.

Child Well-Being in New Mexico: KIDS COUNT and J. Paul Taylor Task Force Reports
Amber Wallin is the director of KIDS COUNT, a program of New Mexico Voices for Children (NMVC) and part of a national initiative funded by the Annie E. Casey Foundation to track the status of children in economic well-being, education, health and family and community (see handouts). She noted that in 2013, New Mexico ranked fiftieth in child well-being, rising only slightly to forty-ninth in 2014 and 2015. Ms. Wallin described the state's status as second-highest in the rate of poverty (21 percent living at or below poverty level), with 42 percent of its working families living below 200 percent of the federal poverty level. Income levels impact education, Ms. Wallin asserted, with poorer children scoring significantly lower in reading proficiency. Despite school meal programs, 28 percent of New Mexico's children remain food-insecure, and the percentage of children who have experienced trauma is significantly higher in New Mexico than the national average. These factors are among those that result in higher rates of child abuse and neglect; higher rates of teen parents and high school dropouts; higher rates of violent crime; and higher poverty rates as adults.

Bill Jordan, senior policy advisor, NMVC, offered an explanation as to how New Mexico came to be in last place in child well-being, with cuts in K-12 per pupil and special education funding, and less access to early care and education programs now than there was in 2010. Enrollment in child care assistance has dropped by 30 percent. Funding for outreach to enroll children in Medicaid has been eliminated. Mr. Jordan stated an opinion that tax cuts have made New Mexico even more regressive with less revenue available for essential services. Critical of the state for giving business tax breaks, Mr. Jordan said New Mexico families with the lowest incomes pay the highest rates in state and local taxes. Legislators must make children a priority in all policy, and he urged development of a "children's agenda" and adoption of the

NMVC's Campaign for a Better New Mexico (see handout). Funding for child care is critical, Mr. Jordan said; child care costs more annually than a year's tuition at UNM. He urged legislators to consider investing a fraction of the land grant permanent funds in early education, a solution successfully applied in other states, and to make certain that Medicaid funds are utilized for home-visiting programs.

Yael Cannon, assistant professor at UNM School of Law and co-chair of the J. Paul Taylor Early Childhood Task Force, told the committee that attorneys see many adults in the criminal system who could have been spared if, as children, their needs had been identified early and addressed. Introducing her task force co-chair, Tara Ford, who is the legal director of Pegasus Legal Services, Ms. Cannon described the task force's policy recommendations put forth in the 2014 report (see handout). These include: (1) ensuring state compliance with existing Medicaid early and periodic screening, diagnosis and treatment (EPSDT) screens; (2) developing programs to support parents of newborns; (3) maximizing family support services for young children based on needs rather than a mental health diagnosis; and (4) requesting the Legislative Finance Committee (LFC) to investigate and report on Human Services Department (HSD) data for Medicaid services, spending and outcomes in early intervention programs.

Brian Griesmeyer, a student at UNM School of Law, provided the results of a study he conducted on EPSDT and its utilization in New Mexico (see handout). The federally mandated screening includes both physical and mental health measures, a physical examination, immunizations, laboratory tests and health education for the child and caregiver. In New Mexico, there are no specific requirements to ensure that all components of the EPSDT screen are completed and no mandated standard form. A number of other states have reformed their laws and regulations to ensure that EPSDT screens are in compliance with federal law and include the necessary mental health screening of all children.

On questioning, committee members and panel presenters discussed the following issues:

- 85 percent of brain development takes place in the first five years of life, yet only one percent of the budget is invested in early childhood;
- strategies for maximizing available Medicaid dollars for early education and services;
- problems with over-labeling mental health issues in young children;
- the need for a comprehensive tax break expenditure report for budgeting decisions;
- the difficulty in maintaining program eligibility for single parents when child support income is being counted but not received;
- negative effects from new accreditation regulations at child care centers;
- the suggested creation of a state children's council or early education agency;
- the need to address geographical and racial health disparities; and
- identifying causes of the drop-off in registered home child care providers.

Reducing Teen Pregnancy

Greta Klingler, director, Colorado Family Planning Initiative, Colorado Department of Public Health and Environment, described the privately funded program that began in 2008 and continued through 2014. Results have been dramatic, with a 48 percent reduction in teen pregnancy and teen abortions. The initiative cost $27 million over seven years and saved Colorado an estimated $79 million in costs to Medicaid, while the state reduced its teen pregnancies, which improved its national ranking from fortieth to nineteenth. The family planning initiative focused on providing free long-acting reversible contraceptives (LARCs) to low-income teens and on providing training, outreach and education to providers and health center staff. Intrauterine devices and implants were chosen as the most effective means of contraception and were provided to participating clinics free of charge; nonetheless, the program required considerable clinical training and support, Ms. Klingler said.

Other impacts of the Colorado initiative included a 25 percent reduction in the federal Women, Infants and Children Program enrollment, a 20 percent decrease in infant mortality and a 57 percent decrease in second (or more) births to teens 15 to 19 years of age. Using Colorado's federal Title X network, existing clinics and federally qualified health centers, the project encompassed 69 locations in 36 counties. Fears about it causing a higher rate of sexually transmitted infections were unfounded, according to Ms. Klingler. In fact, sexually transmitted infection rates actually dropped, and condom use increased during this period. Extensive media coverage has helped to normalize discussion of these issues, Ms. Klingler said.

Charles Sallee, deputy director of the LFC, provided committee members with a copy of a May 2015 LFC report on effective practices to reduce teen pregnancy (see handout) that analyzed teen birth characteristics and trends in New Mexico and identified evidence-based approaches to reduce risky adolescent behaviors. Recommendations included forming a collaboration that includes the Department of Health (DOH), the HSD, the Children, Youth and Families Department (CYFD) and the Public Education Department to develop a comprehensive, coordinated teen pregnancy prevention strategy, to implement best practices in clinical prevention and to provide for legislative investments into programs with proven outcomes for teen parents and their children.

Yann Lussiez, LFC program evaluator, told the committee that another LFC report will be issued next month that examines maximizing the use of Medicaid funds and school-based health centers to reduce New Mexico's high rate of teen pregnancy.

Retta Ward, secretary of health, presented the program and financial targets of a DOH delayed parenthood project (see handout) that aims to reduce teen birth rates in New Mexico by 50 percent over four years. Secretary Ward said there were 2,584 births to teenage mothers in 2014, which is 61 percent above the national average. The cost of each of these births includes an estimated $25,000 in Medicaid and other public assistance, lower high school graduation rates and decreased opportunities for parent and child. Secretary Ward said she believes this is a winnable public health battle.

On questioning, committee members and panel presenters discussed the following issues:

- the lack of LARC providers, especially in rural areas;
- confusion about Medicaid family planning benefits and pregnancy levels of service;
- the possibility of private funding to supplement the New Mexico state plan, similar to the Colorado model;
- the importance of accurate information regarding contraceptive devices, both for legislators and the general public;
- problems with confidentiality for teenage consumers with private insurance;
- ideas for outreach and community engagement to implement the state plan; and
- why the DOH pays to contract with multiple abstinence education providers when these programs have been proven ineffective.

Legislator Request to Agency

A member requested that Secretary Ward provide prior to the final LHHS meeting in November: (1) the dollar amount of funding proposed for LARCs in the state plan budget; and (2) the dollar amount proposed for spending on high-risk teens with two or more births.

Medicaid Centennial Care (CC); Update on Children's Health Insurance Program (CHIP); All-Payer Claims Database (APCD) Project

Jon Courtney, Ph.D., LFC program evaluation manager, and Maria Griego, LFC program evaluator, provided committee members with the LFC's June 2015 report and a PowerPoint presentation on the CC waiver and Medicaid managed care costs (see handouts). Three themes emerged in this evaluation, Dr. Courtney said: (1) cost-containment initiatives are at risk, and Medicaid reliance on the general fund will increase; (2) the amount and quality of utilization data has deteriorated, leaving a question of whether enrollees are receiving more or less care; and (3) additional controls are needed to ensure that rates are appropriately low and to better position the legislature to set financial priorities for Medicaid. Estimates of what CC would save the state have not come to pass, he said, and care coordination — the centerpiece of CC — has been difficult, with only 47 percent of enrollees reached in the first year. The health homes initiative, another key component of CC, was significantly scaled back, implementation was delayed and performance metrics were removed from contracts. The number of children 18 years and under receiving behavioral health comprehensive community support services dropped by one-half after the 2013 suspension of 15 behavioral health providers and has barely increased, and evidence-based therapy spending in the same age group also fell more than one-half after the suspension and has increased only slightly. The report asserts that the HSD could have saved $28 million in general fund dollars by setting service rates at the lower end of the range and requiring all managed care organizations (MCOs) to charge the same rates for the same services.

Dr. Courtney provided a Robert Wood Johnson Foundation (RWJF) chart that showed other states that have identified hundreds of millions of dollars in savings and revenues, and he urged more transparent projection processes for New Mexico. Other strategies that could be

employed to identify savings and decrease costs, include negotiating lower costs for high-priced drugs, implementing health homes targeting Medicaid patients with diabetes and examining the medical loss ratio requirement as efficiencies are gained. In October, another LFC evaluation will identify additional Medicaid leveraging and cost-saving opportunities.

Brent Earnest, secretary of human services, provided a rebuttal of all LFC criticisms in a lengthy letter included in the LFC report, citing inaccuracies and misunderstandings about the program that led the evaluation to unreliable findings (see report). He introduced Nancy Smith-Leslie, Medical Assistance Division director, HSD, who said the department disagrees that there has been a reduction in utilization of behavioral health services. In a PowerPoint presentation (see handout), Secretary Earnest presented an overview of CC, with enrollment at 822,428 as of August 2015, and touted pay increases for primary care providers, an increase in telehealth visits, increasing use of community health workers and several payment reform projects that were launched in July.

Reporting on the CHIP, Secretary Earnest described its reauthorization by the U.S. Congress and an increase in the federal medical assistance percentage in New Mexico to 100 percent. Prior to implementation of the federal Patient Protection and Affordable Care Act (ACA), there were 6,641 children enrolled in CHIP; as of August 31, 2015, and under a simplified enrollment process, 15,676 children are now enrolled.

Reporting further, Secretary Earnest said the HSD has issued a request for proposals to provide planning for the APCD. Procurement is almost complete, he said, and the HSD expects to announce the choice of a consultant in October, with work to begin immediately. Discussion of the database design will include representatives from state agencies; payers and insurers; health care providers and consumers; employers; health information exchanges and the health insurance exchange; self-insured groups; universities; and tribal governments, among others. He also described work on a $2 million state innovation model grant from the federal Centers for Medicare and Medicaid Services (CMS) that seeks to test innovative health delivery and payment models that will reduce health care costs, enhance quality of care and improve population health.

On questioning, committee members, Dr. Courtney and Secretary Earnest discussed the following issues:

- problems with MCO members who are "not willing to engage";
- the lack of good data to compare levels of behavioral health services;
- ways to reimburse LARC costs so that providers can maintain a stock of the devices;
- efforts to streamline Medicaid administrative burden for dental providers; and
- discussion of variation in MCO rates and the HSD setting rates by risk-adjustment.

Request to Agency

A committee member asked Secretary Earnest for a follow-up of what the HSD is doing within CC to impact teen pregnancy rates, noting that the state had more than 500 births last year

to teens who already had at least one child. The chair agreed, determining that a report on teen pregnancy measures within CC will be added to the LHHS agenda.

Health Care Analysis at UNM

Gabriel Sanchez, Ph.D., is executive director of the RWJF Center for Health Policy at UNM (see handout). The center has two principal aims, Dr. Sanchez said: (1) diversification of the health policy research work force (there currently are 20 fellows in the center's Ph.D. program); and (2) engagement of high-quality applied research to provide data-driven policy recommendations. Over the past several years, the center has increased New Mexico-focused research, tackling some of the most important policy issues in behavioral health and early childhood health and education, Dr. Sanchez said.

Sam Howarth, Ph.D., a senior fellow at the center, described a recent New Mexico project sponsored by the National Institutes of Health: an assessment of Hispanics' relationship with the ACA that concluded that, while the rate of uninsured individuals was significantly lower after the law went into effect, health care costs remain critical to Hispanics in New Mexico. A series of slides in the handout featured other center research projects, many of them for state or local government agencies, and a demonstration of a web-based behavioral health provider mapping tool. Dr. Howarth urged committee members to utilize the center's research capacity.

Minutes Approved

Minutes from the August 24-27 LHHS meeting in Ruidoso and Roswell were approved, with a minor spelling correction to two mentions of Mr. Sallee's name.

Public Comment

Ruth Williams, public policy director for the New Mexico Alliance for School-Based Health Care, reminded committee members that last year, 27 percent of students in schools with a health care center received an EPSDT; the goal for next year is 38 percent. Sixty-three percent of visits to the school centers are for behavioral health issues, she said.

Roberta Rael is director of Generation Justice, a multimedia youth project that is examining behavioral health in New Mexico and gathering the voices of families, young people, practitioners and many others. The group would like to be on the LHHS agenda in October to present results of more than 45 interviews.

Recess

The committee recessed at 5:05 p.m.

Tuesday, September 22

Welcome and Introductions

Senator Ortiz y Pino reconvened the meeting at 8:45 a.m. in Ballroom C, Student Union Building, UNM, welcomed those assembled and asked committee members and staff to introduce themselves.

Addressing Behavioral Health Issues of Seniors

Janice E. Knoefel, M.D., M.P.H., professor in geriatrics and neurology at UNM, told committee members that in New Mexico, with the fourth-highest percentage of residents over age 65, "the silver tsunami" is already here. There are too few providers, too many of them concentrated in urban areas and too few with the knowledge and skills required to adequately address dementia. There are 73 monthly support group meetings throughout the state conducted by volunteers in every county, Dr. Knoefel said, and national organizations have established quality indicators for dementia care excellence. New Mexico has a broad coalition of engaged stakeholders, an annual state conference on dementia care, a dedicated dementia clinic at UNM directed by herself and a state plan for Alzheimer's and related dementias that has been approved by the governor. There are subcommittees working on the plan's six goals, and Dr. Knoefel urged full implementation of the plan in all areas.

In 2011, Project ECHO received funding from the Reynolds Foundation to train a cadre of dementia care providers in all disciplines to educate rural communities and providers in dementia care, Dr. Knoefel said. The goal is to improve quality and outcomes. Partners in the project included experts in geriatrics, neurology, pharmacy, nursing, physical and occupational therapy; volunteers; representatives of the Aging and Long-Term Services Department (ALTSD), the Veterans Health Administration and industry partners, including residential or home care professionals; and guardianship professionals. This grant has now ended, she said, but UNM has submitted a three-year proposal to CMS to expand dementia care clinics nationwide through Project ECHO. Early diagnosis is key to improving treatment and management of dementia, she said, and to prevent development of behaviors leading to emergency intervention and institutionalization. By providing community-based education and support, individuals can continue to live at home with quality care.

On questioning, committee members and Dr. Knoefel discussed the following topics:

- dementia as an "umbrella" term, with Alzheimer's under it and representing nearly one-half of the cases;
- details of the Alzheimer's Association's savvy caregiver training program, also available through the ALTSD, and efforts to expand access to it;
- issues of liability and immunity for senior centers to offer adult daycare;
- possibility of dementia outreach in rural areas through church volunteers;
- increasing focus on respite care for family caregivers; and

- an update on a request to the attorney general regarding enforcement of New Mexico's Anti-Donation Clause at a senior center planning to host Senior Olympics.

David Peters, M.D., board-certified in psychiatry, neurology and geriatric psychiatry and former director of an inpatient geriatric psychiatry unit at UNM, worked for Lovelace Health System prior to becoming a solo practitioner with Retreat Healthcare in Albuquerque. He runs a clinic and provides hospital consults four days a week, then visits assisted living facilities on the fifth day. It is important to be able to differentiate between dementias, Dr. Peters said; the goal is to alleviate symptoms and improve quality of life. Delusions and combativeness may occur when an individual does not understand the intent of the caregiver and views the caregiver's actions as an assault. Depression and anxiety go together with dementia, Dr. Peters continued, and pharmaceuticals can be effective but also can exacerbate problems. Behavioral issues that manifest between 60 and 90 years of age often are similar to individuals who have suffered traumatic brain injury. Describing issues with the lack of providers, Dr. Peters said he cannot possibly attend to all who are referred to his clinics, and while UNM has a great program, no one is taking new patients. There are not a lot of younger physicians coming into the field, he pointed out, and New Mexico's reimbursement rates are lower than in other states, which is an issue for new doctors who have a lot of school debt.

Mohamad Khafaja, M.D., assistant professor in the Department of Psychiatry and Behavioral Sciences at UNM, described differences between annoying but normal complaints of aging versus a diagnosis of dementia (see handout). Memory changes take place in the temporal lobe of the brain, he said, and with Alzheimer's, the brain actually shows extensive shrinkage. There are cognitive screenings that can help determine behavioral and psychological symptoms of dementia, he said, and sometimes infection or severe constipation can cause the appearance of stroke or dementia.

Protective factors for dementia include physical activity, ongoing intellectual stimulation, adequate omega-3 fatty acids, leisure or social activities, the use of statins and anti-hypertensives and moderate alcohol intake, among others, Dr. Khafaja said. There are several medications approved by the federal Food and Drug Administration for treatment of dementia. They are expensive and facilitate improvement in about one-half of users, but they worsen it in one-fourth of users. Dr. Khafaja suggested ways to create healthy communities for the aging population, including improving transportation options, supporting education, providing tools for health promotion and developing caregiver education regarding available resources.

On questioning, committee members discussed with Dr. Peters and Dr. Khafaja the following issues:

- the need to explore a care model for dementia and Alzheimer's that is not so costly and to develop more programs to help the elderly stay in their homes;
- the role of illegal drugs and alcohol as contributors to dementia;

- rising diabetes, obesity and hypertension rates as risk factors for younger New Mexicans;
- side effects from sleep medications that exacerbate symptoms of dementia; and
- scientific support for the power of prayer.

Long-Term Services and Supports in Indian Country

Lora Church, M.P.A., M.S., is director of the Indian Area Agency on Aging (IAAA), which was created in 1991 as a focal point for addressing issues affecting New Mexico's Native American elders (see handouts). The IAAA operates under the ALTSD; works in partnership with 19 pueblos, two Apache tribes and the Navajo Nation; manages contracts and monitors state general fund awards and programming; and provides technical assistance, advocacy and training. In fiscal year (FY) 2015, the IAAA provided programs and services to 5,650 Native American elders and adults with disabilities through 21 tribal senior centers and three tribal adult daycare centers. Home- and community-based services are offered through tribal senior centers to help elders remain in their own homes surrounded by family. To address Native American caregiver training needs, the IAAA has collaborated with the New Mexico Chapter of the Alzheimer's Association, the National Indian Council on Aging (NICOA) and the ALTSD's Office of Alzheimer's and Dementia Care to design an evidence-based curriculum. This program, the first of its kind in the United States, will be launched in FY 2016 in several New Mexico tribal communities.

Randella Bluehouse is executive director of the NICOA, a nonprofit founded in 1976 to advocate for improved comprehensive health, social services and economic well-being for American Indian and Alaska Native elders that is headquartered in Albuquerque. In the 2010 census, there were 5.2 million American Indians and Alaska Natives in 566 federally recognized tribes, Ms. Bluehouse said, 68 of which are recognized by the State of New Mexico. Between 2000 and 2010, the number of American Indian and Alaska Native elders increased by 40.5 percent, a rate 2.7 times the overall population of seniors in the United States. Health care for Native Americans is delivered through the Indian Health Service (IHS), tribally operated health facilities and urban Native American health facilities, including long-term supports and services. The ACA grants authority to the IHS and tribes to operate long-term services and supports either in facilities or in the client's home and improves the reimbursement process and resource sharing with other federal programs.

Eleanor Toya, L.M.S.W., is a medical and behavioral health social worker from the Pueblo of Jemez who has been working at the Acoma-Canoncito-Laguna IHS hospital for the past 13 years. Cultural factors often make her clients, mostly over 50 years old and many with dementia, reluctant to reveal issues they have been dealing with all of their lives. Ms. Toya utilizes teleheath psychiatry with UNM or the IHS in Gallup, and she notes that many of her clients do not want to be medicated. There is a limited number of beds available for nursing home placement. Residents often want to go to the Rainbow Nursing Center at the Pueblo of Laguna because it is Native American, she said, noting that culture and spirituality are very important. If an individual does not have Medicaid, the IHS will not pay for long-term care, so

facilities have to get these people qualified; the waiting process often discourages families. There are also problems with clients who do not have enough money to travel to Albuquerque for services.

On questioning, committee members and panel presenters discussed the following topics:

- details of a new Pueblo of Isleta facility that includes a senior center, adult daycare and assisted living;
- a list of state funds that go to tribes, including other tribal resources; and
- utilization of federal Title VI funds for tribal services.

Older Adult Health Status and Dementia

Michael Landen, M.D., M.P.H., state epidemiologist, DOH, provided a series of charts and graphs showing that nearly 30 percent of New Mexico's seniors live in households with less than $20,000 annual income (see handout) and that race and ethnicity, level of education, gender and ZIP code all are factors in the general and mental health of seniors. New Mexico seniors are less likely to be obese than their younger counterparts, but they are nearly three times more likely to have diabetes. American Indians have a significantly higher death rate over age 65 than whites, Hispanics, African Americans and Asian/Pacific Islanders. New Mexicans between the ages of 65 and 75 have higher rates of succumbing from diabetes and chronic liver disease and cirrhosis than the rest of the country. Older adult drug overdose death rates have been rising, with whites at the highest rate. The risk of older adult falls doubles every five years after age 65 and is higher among men than women; it is four times as high among seniors on high-dose opioids. With Alzheimer's and related disorders, the northeast health region has a significantly higher rate of emergency room admissions, with more females affected than males, and metro areas show higher rates of death. In conclusion, Dr. Landen found life expectancy for New Mexico older adults better than that for the United States, but racial and ethnic disparities persist. He urged that the health status of older adults in New Mexico be tracked on a regular basis.

On questioning, committee members and Dr. Landen discussed the following issues:

- licensing boards' roles in policing opioid prescribing;
- the need for clearer focus on resources that will benefit older adults;
- more details on suicides by gun and the ease of purchasing firearms; and
- the need for hospitals to provide real-time reporting to the DOH.

Support Services for Caregivers of the Elderly

Cindy Anderson, M.S.W., L.I.S.W., executive director of PeopleWorks-NM, an Albuquerque-based provider of counseling and wellness services, described her organization's dementia caregiver program (see handouts). Caregivers have increased stress and a higher rate of use of psychotropic drugs; many must juggle regular employment with caregiving tasks, Ms. Anderson noted. The program involves 12 hours of education, two hours of individualized

counseling, an Alzheimer's workbook and continued crisis management and follow-up. The nonprofit recently added a program dealing with gambling addiction.

Melyssa Agee-Mares, M.S.W., L.I.S.W., said that despite her professional training, when she began caring for her grandmother who had dementia and was bipolar, she was overwhelmed by what she did not know. Now, as director of the dementia caregiver program at PeopleWorks-NM, she is able to teach best practices and provide counseling to address the emotional aspects of care. Ms. Agee-Mares recommended that the state seek more affordable long-term care options that pair social services and mental health treatment, and she urged greater efforts to increase case management.

Adrienne R. Smith, executive director of the New Mexico Direct Caregivers Coalition, founded her nonprofit organization in 2009 to give voice to family and professional caregivers and to advocate for education, training and better wages (see handouts). Ms. Smith introduced her program assistant, Dana Howard, and explained that the coalition's interactive website includes a registry of 4,500 individuals and agencies that can connect them with free educational training and workshops and nationally recognized certification. The direct care work force is the fastest-growing sector of the New Mexico economy, Ms. Smith said, with at least 210,000 individuals statewide caring for a family member. Yet economic, educational and systemic barriers still exist, she stated, and the coalition aims to improve training, benefits, wages and professional development so that these workers may better serve the elderly and those with disabilities.

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

Ms. Smith-Leslie reported that there currently are 385 members in PACE, a program with a $12 million budget that is less expensive than nursing home care for qualified individuals. Care is coordinated by the PACE provider, including prescription management, she said. PACE is a holistic, all-inclusive approach to acute and long-term care, and it currently has a wait list of 65 eligible individuals.

Gina DeBlassie, chief operating officer of InnovAge Greater New Mexico PACE, said her organization operates PACE programs in three states, with one in Albuquerque serving Bernalillo, Sandoval and Valencia counties (see handouts). PACE is a fully capitated program and bills as fee-for-service, and thus has very stable rates. The average age of PACE consumers is 80, Ms. DeBlassie said, and her program has a wait list of 250 individuals. Beverly Dahan, vice president of government and legislative affairs for InnovAge Greater New Mexico PACE, noted that the PACE model saves money (costs are 28 percent less than a nursing home) and provides a personalized, more compassionate model of care. InnovAge New Mexico is looking at Santa Fe and Las Cruces for possible expansion when additional funding becomes available.

Responding to questions from committee members, Ms. DeBlassie explained that the current cap on PACE is due to the state Medicaid budget constraint of $12 million. Several members noted that the cap is artificial and it makes no sense to limit PACE; no one would lose

except the MCOs. Another member urged that the cap be removed and the program be expanded. Ms. Smith-Leslie said she would be happy to look further into this issue.

New Mexico State Plan for Family Caregivers, 2014 House Joint Memorial 4 Family Caregiver Task Force Report

Myles Copeland, secretary-designate of aging and long-term services, presented the state plan for family caregivers (see handout) and was accompanied at the table by Gene Varela, state director of AARP New Mexico. In a PowerPoint presentation (see handout), Secretary Copeland and Mr. Varela detailed the scope of family caregiving in the state: 419,000 serving as caregivers who annually provide an average of 18.4 unpaid hours of care weekly. The Family Caregiver Task Force convened in April 2014 with more than 50 participants from a broad list of stakeholders and with feedback from more than 600 New Mexicans and a survey of 1,000 registered voters (see AARP handouts). Overarching principles of the planning process were to address rural, ethnic and cultural issues, and the state's high poverty rate and to ensure that recommendations would be actionable. Five work groups (family support, training and planning, care coordination, support for caregivers and public awareness) were convened to identify caregivers' needs, current resources and the gaps between them and recommendations to address those gaps.

Seven goals of the task force were identified:

1. ensure family caregiver access to needed resources;
2. ensure caregiver access to proper training;
3. limit future caregiver burden with healthy aging initiatives and advanced financial, legal and medical planning;
4. develop community and online support and advocacy;
5. broadly increase care coordination;
6. provide more support for family caregivers who work outside the home; and
7. coordinate efforts to broaden respite care options for family caregivers.

Tools already in place to help reach these goals include lay caregiver aftercare training (House Bill (HB) 139), which was signed by the governor after the 2015 regular session, and broadened awareness of the ALTSD's Aging and Disability Resource Center (ADRC) for information and additional resources (see handouts).

On questioning, committee members, Secretary Copeland and Mr. Varela discussed the following topics:

- possible expansion of the state's family leave act;
- use of Medicare funds for additional family caregiver training;
- expansion of service hours at the ADRC; and
- status of hospitals with regard to HB 139 training requirements.

Public Comment

Doris Husted, director for public policy with the Arc of New Mexico, noted that outreach efforts should also include older adults who are caring for adult children with developmental disabilities.

Recess

The committee recessed at 4:25 p.m.

Wednesday, September 23

Introductions

Senator Ortiz y Pino reconvened the meeting at 8:39 a.m., introduced Representative Espinoza and welcomed those assembled. Explaining that today's session is a joint meeting with the Courts, Corrections and Justice Committee, he introduced its co-chairs, Representative Zachary J. Cook and Senator Richard C. Martinez. Senator Ortiz y Pino asked members of both committees and staff to introduce themselves.

Welcome

Robert G. Frank, M.D., president of UNM, welcomed both committees to the campus, citing many "returning Lobos" in the audience and describing UNM as a leader in affordability. The university has made great strides in improving third-semester retention rates, he said, and in fourth- and sixth-year graduation rates, as well. The school no longer offers remedial courses, and one-third of its New Mexico students are in the top one-third in ACT scores.

Meeting Format

Senator Ortiz y Pino then introduced Philip Crump and David Gold, facilitators of the day's joint meeting. The morning session will consist of a series of presentations, but committee members were asked to hold their questions for afternoon roundtable discussions, the facilitators said. As the meeting unfolds, members of both committees will gain a better understanding of the issues New Mexico youth are facing and how well the state's programs to address them are working.

Sarah Brown, program director of the National Conference of State Legislatures (NCSL), and Ann Teigen, NCSL, said their organization represents 7,383 legislators and has its policy office in Denver. Providing a brief history of national trends in juvenile justice state legislation (see handout), Ms. Brown said the more punitive trend of the 1980s and 1990s has given way to a current bipartisan effort to reform juvenile justice, driven largely by new neuroscience research about the developing brain in adolescence, increasing use of evidence-based practices and multiple U.S. Supreme Court rulings. She cited seven current trends:

1. comprehensive omnibus reforms in 15 states between 2013 and 2015;
2. reestablishing boundaries between adult and juvenile justice systems;
3. prevention, intervention and corrections/detention reform;

4. due process and defense reform in juvenile competency, providing adequate counsel and use of shackling and solitary confinement;
5. treatment of mental health needs of juvenile offenders;
6. addressing significant racial and ethnic disparities; and
7. confidentiality of juvenile records and expungement.

Juvenile Justice: CYFD

Monique Jacobson, secretary of children, youth and families, said that while her heart breaks over what has happened in the lives of children that end up in New Mexico's juvenile justice system, she is aware that by their actions, they have created new victims. Secretary Jacobson stated that CYFD employees are at the front line in dealing with complex situations and need to do all they can to help these youth who will return to the community. "Youth care specialist" is the new title of staff in these positions. Secretary Jacobson said more training needs to accompany changes in policy disallowing isolation and use of force. New Mexico has fewer youth in facilities now, but the level of acuity is higher. The CYFD's first rapid-hire event, scheduled for September 26, 2015, will focus on the youth corrections system.

Performance Review: Cambiar New Mexico

Kelly Klundt, senior fiscal analyst, LFC, explained that Cambiar is New Mexico's version of the Missouri model of juvenile justice reform that would be described in greater detail in the succeeding presentation. Ms. Klundt presented the LFC's 2015 performance review of the state's juvenile justice services and appropriations, with 95 percent being funded by the general fund (see handouts). The LFC staff identified performance concerns as the program continued on a downward trend, she said. Juveniles committed to a secure facility experienced increased use of force by staff and youth-on-youth violence, as well as a significant rise in the rate of transition into adult correctional facilities. Despite implementing an action plan of best practices to de-escalate incidents and avoid injuries, high turnover rates for youth care specialists may be contributing to the performance decline. The cost of secure juvenile commitment vastly exceeds other approaches to treatment, according to the report, at an annual cost of $146,000; under community corrections supervision, that annual cost is approximately $3,000.

The Missouri Model and Cambiar New Mexico

Tom Breedlove, senior consultant with the Missouri Youth Services Institute (MYSI), described the Missouri model and his period of consultation with New Mexico's juvenile justice system beginning in 2008. Developed over several decades, what has become known as the Missouri model involves a paradigm shift from correctional to rehabilitative and therapeutic treatment of youth, assisting them in making positive, lasting changes that result in dramatically better outcomes. Mr. Breedlove was invited to advise the New Mexico juvenile justice system, and upon arrival, found siloed departments with some more eager than others for change. Over several years, the MYSI worked at the state's three largest juvenile detention facilities and at Lincoln Pines near Ruidoso. With the change in administrations in 2013, the MYSI was directed by the new CYFD leadership as to what content could be presented and how training could be delivered, and the project at Lincoln Pines was abandoned. Nonetheless, the MYSI was

successful in completing the first tier of training, seeing some immediate positive results in reducing assaults on staff and youth and increased success with youth academic achievement and school behavior, Mr. Breedlove said. He remains hopeful that work left undone in New Mexico can be completed in the future.

Peter Cubra, disability rights attorney and founder of Advocacy, Inc., a nonprofit that provides representation for abused and neglected children, said he has been working with troubled youth for over 30 years and described New Mexico's juvenile justice facilities as criminal factories. Bullying, coercion and violence, or the threat of it, are how problems are handled, he said. Cambiar got a start here and then got sent back to Missouri. Mr. Cubra urged the state to find a way to carry Cambiar forward. Youth are more disturbed and have few options for high-level treatment, he said, and New Mexico should not to continue the mistreatment; it needs to rescue the ones it can.

Sequoyah Adolescent Treatment Center (SATC): The Building Bridges Model

Secretary Ward described the building bridges model of treatment now employed at SATC as family-driven, trauma-informed care for adolescents. Under this model, the facility is more open, there are no limits on family visits and residents can obtain passes for home visits. Families are included in many decisions, such as a change of medication, and are considered to be a vital part of the team approach. The building bridges model of treatment is accessible and culturally sensitive, utilizes clinically proven methods and provides for a better transition back into the community.

SATC Task Force

Senate Memorial 115 from the 2015 regular legislative session set up a task force to perform an independent evaluation of SATC and to make recommendations to the LHHS no later than November 1, 2015. Anilla Del Fabbro, M.D., division chief for child and adolescent psychiatry at UNM, reported that the task force was divided into two groups at its initial meeting in March: clinical and administrative. While much of the work has been completed by both committees, members are still working on reports that will be available shortly.

Henry Gardner, Ph.D., is a member of the task force but stated he was speaking on his own account as a long-time former administrator of SATC. Dr. Gardner said he is concerned about the task force's purported independence, as is called for in the memorial. One-half of its members are from the DOH, he said, and members have been restricted in information they have been able to obtain or have access to, and there is concern among some members about the information provided by the DOH. The building bridges model is a good one, Dr. Gardner said, but he cannot tell if it is being well-implemented. He has heard that SATC had a $474,000 surplus last year, but there has been little transparency as to the budget.

The Neuropsychology of Youth Violence

Kent A. Kiehl, Ph.D., professor of psychology, neuroscience and law at UNM, told committee members that antisocial behavior peaks during adolescence (see handout).

Developments in psychology and brain science continue to show fundamental differences between juvenile and adult brains, especially parts of the brain involved in behavior control, Dr. Kiehl said. Genetics may be involved, and the early onset of these behaviors is an indicator of persistence. Untreated, there is a much higher recidivism rate. Early intervention can result in brain changes that actually are visible on scans, he said.

Gregory Van Rybroek, Ph.D., J.D., is director of the Mendota Mental Health Institute in Madison, a psychiatric hospital operated by the Wisconsin Department of Health Services that specializes in serving patients with complex psychiatric conditions. The Mendota Juvenile Treatment Center within the institute has proven that with its program, the most violent, institutionalized juveniles can be effectively treated, even those who have psychopathic personality features. Mendota's treatment reduces recidivism, especially for felony crimes, and is cost-effective, Dr. Van Rybroek said (see handout). Treatment is a clinical-correctional hybrid in a high-security structure with low coercion; youth choose to participate, and there are natural results for not participating. By decreasing defiance among patients, conditions for real treatment are ripened, he said. Mendota provides a safe physical environment, but security does not run it. There is a data feedback system that tracks behavior twice a day; an alternative to lockup motivates patients by offering privileges and better food and living conditions. The system is transparent, fair, immediate and predictable and sets up conditions to begin traditional therapy, Dr. Van Rybroek said. There must be sufficient staff who are actively supervised using data-driven evidence. Treating the most violent youth requires tolerance of negative behaviors long enough for that treatment to take hold and help a child to save his or her own life.

Reducing the Flow of School-to-Prison Pipeline: Southwest Community School Collaborative

Representative Ruiloba, school resource officer at Atrisco Heritage Academy High School, described the formation of the Southwest Community Schools Collaborative that supports students, staff and families with resources when students are involved with violations of law or negative behaviors. Utilizing local nonprofit agencies, including Partnership for Community Action, the Albuquerque Public School District's Crossroads/Project Success Program, ENLACE, La Plazita Institute and Youth Development, Inc., students are referred to services instead of incarceration as the first response. By bringing services into the school, issues can be dealt with on campus instead of in the judicial system, Representative Ruiloba said. Since the program began in 2012, data indicate that there has been a decrease in dropout rates, school suspensions and referrals to the courts, and an increase in parental involvement and graduation rates. Campuses have become safer, Representative Ruiloba said, and student participants have experienced increased positive behaviors, fewer subsequent violations and suspensions and increased educational awareness.

Youth Empowerment and Diversion: Promising Practices

Michael Gass, Ph.D., professor in the College of Health and Human Services at the University of New Hampshire, described the field of outdoor behavioral health care (OBH) as the prescriptive use of adventure experiences by mental health professionals, often conducted in

natural settings, that engage clients on cognitive, affective and behavioral levels. Elements of OBH include extended backcountry travel and wilderness living for long enough to allow clinical assessment and establishment of treatment goals. It requires the client's active participation and responsibility in group living and therapy sessions, and it can involve individual and family therapy. Key questions arise when judging the effectiveness of an OBH program: does it work, is it safe and is it accredited and cost-effective? Dr. Gass noted that the Santa Fe Mountain Center is an effective program and is highly regarded in the field.

Daniel "Nane" Alejandrez, executive director and founder of Barrios Unidos in Santa Cruz, California, said he has spent the last 40 years addressing violence and gang culture. Eleven members of his own family went to prison and now, four generations later, there are still new incarcerations, he said. The prison system does not work, Mr. Alejandrez said, but money is still being pumped into it. The challenge is to create change in institutions. In California, the annual cost to incarcerate a youth is $260,000. That could easily buy a college education, he pointed out. The majority of those incarcerated are people of color, and the economics of barrios and ghettos have not changed. Young people must be educated to participate in the democratic process, Mr. Alejandrez said, but poverty and political change must be addressed. He urged legislators to look at what has worked in other states and countries.

Sky Gray is executive director of the Santa Fe Mountain Center, which has provided accredited, therapeutic adventures since 1979 (see handout). Using evidence-based and evidence-informed practices, the center now offers nine different programs, including Healthy Transitions, a youth (16 to 25 years) program that is funded through a federal Substance Abuse and Mental Health Services Administration grant (see handouts) and in partnership with the CYFD.

Albino Garcia, Jr., is executive director of La Plazita Institute in Albuquerque, a nonprofit offering a community alternative to youth detention that engages youth, elders and communities around the philosophy that culture heals. Operating as a certified organic farm that produces food for the Albuquerque Public School District and the Youth Detention Center, La Plazita youth can dream while they find themselves knee-deep in dirt in the South Valley, Mr. Garcia said. At La Plazita, youth are involved in positive activities in the neighborhood and put together food parcels for lower-income families. This is a nontraditional leadership institute, he said.

Youth Panel on Youth Empowerment

Rosie Garibaldi, a youth justice advocate with the New Mexico Forum for Youth in Community and a facilitator of Leaders Organizing 2 Unite & Decriminalize (LOUD), said there was a gap in the community with no young people or their families finding a place at the table. Now, as a community partner, LOUD advises and informs detention reform efforts and the juvenile justice system, conducts education and outreach and provides leadership and skill development. With investment in alternatives to incarceration, crime rates do go down, Ms. Garibaldi said. LOUD was developed in partnership with Bernalillo County's Juvenile Detention

Alternatives Initiative and the New Mexico Forum for Youth in Community. A member of LOUD who accompanied Ms. Garibaldi spoke about youth in detention who need help with an education plan that will connect them with needed resources; another member described seeing many unjust and unfair aspects of the juvenile justice system. Both speakers reminded the audience that those closest to the problem are also closest to the solution.

Afternoon Roundtable Discussions

Two separate sessions of roundtable discussions involved legislators, presenters, youth advocates and other interested members of the public discussing the following topics: youth empowerment programs, the Cambiar model and SATC. Regarding each of these topics, the following questions were posed to roundtable participants: (1) what is working about the programming?; (2) what needs to change about the programming?; and (3) is there a role for legislators in making necessary changes to that programming? For a detailed report of these discussions and conclusions, please refer to the LHHS minutes from the October 5-7 LHHS meeting in Santa Fe.

Recess

The joint session was recessed at 4:50 p.m.

Thursday, September 24

Debriefing on Wednesday's Meeting Format

Senator Ortiz y Pino reconvened the LHHS meeting at 8:35 a.m. at CHI St. Joseph's Children with an informal discussion of the previous afternoon's joint presentations and roundtable discussions. On questioning, committee members noted the following:

- roundtable discussions were too long and participants were too tired; one breakout would have been sufficient;
- SATC is not functioning as intended;
- presentations should have been slowed down and questions allowed;
- there was a lack of acceptance of responsibility by youth in attendance and too much of an attitude of "what are you going to do for me?";
- other members were very impressed with youth participation;
- a suggestion that the Atrisco program be presented to board members of the Albuquerque Public School District;
- surprise by some members that Cambiar apparently has been abandoned;
- preventative interventions and wraparound services are more effective and less costly than institutionalization;
- a suggestion that a review of information from yesterday's joint session be passed on to the secretaries of human services, health and children, youth and families; and
- state participation in the Three Branch Institute on Child Social and Emotional Well-Being (3BI), a national initiative to improve child welfare systems in which the CYFD,

the Administrative Office of the Courts, the judiciary, the HSD and the DOH had previously been involved, appears to have ceased.

Motions for Letters from the LHHS

Members approved motions that letters from the LHHS be sent to:

- the Albuquerque Public School District Board suggesting a presentation by Representative Ruiloba on the Atrisco model of juvenile diversion; and
- Secretary Jacobson regarding the CYFD's halting of participation in the 3BI and requesting that the CYFD recommence participation in the 3BI.

Welcome and Introductions

Senator Ortiz y Pino welcomed those assembled and asked committee members and staff to introduce themselves. Jessica Bunker, a public advocate for CHI St. Joseph's Children, spoke from the audience to describe the nonprofit's unique home-visiting health program that is one of the largest in the nation. This initiative, made possible by a grant from the Daniels Fund, includes weekly visits to 181 families in Bernalillo, Sandoval, Valencia, Dona Ana and Luna counties.

High-Quality Early Learning in New Mexico: An Exploration of Practices That Work for Children from All Backgrounds

Hailey Heinz, M.A., a research scholar and senior analyst at the UNM Center for Education Policy and Research, described results of a statewide survey of effective early learning practices that was funded in part by a grant from the Thornburg Foundation (see handout). Ten sites were selected for the study, based on education results in third grade. Ms. Heinz presented key findings that are shared in quality early education:

- strong site-based leadership;
- stability of core teaching staff;
- programs that follow children's interests;
- rich classroom environments;
- intentional family involvement;
- dual language instruction; and
- positive social-emotional learning.

On questioning, committee members and Ms. Heinz discussed the following topics:

- indications that the state's five-star system is not always the best predictor of quality results;
- longitudinal methods being used to measure outcomes in this study;
- challenges for providers in meeting state and federal standards; and
- differences in quality measures between urban versus rural educational centers.

Agents and Brokers Discuss New Mexico's Health Insurance Market

Anne Sperling, employee benefits manager for Daniels Insurance, Inc., Sherrie K. Williams, licensed broker and owner of Williams Sales and Service, LLC, and Sherrye Butler, independent agent with Hub International Insurance Services, Inc., each have 30 years or more experience in the health insurance field. Their presentation (see handout) detailed many concerns of New Mexico's agent and broker community, numbering nearly 800. They expressed special concern with the withdrawal of BlueCross BlueShield of New Mexico (BCBSNM) from the New Mexico Health Insurance Exchange (NMHIX). BCBSNM also will no longer offer preferred provider organization (PPO) policies in the private market except for a single high-deductible ($6,000) plan. The move toward health maintenance organization (HMO) policies will limit out-of-state provider options for thousands of New Mexicans whose policies on and off the NMHIX now are being canceled, they said. In addition, enormous changes ushered in with the ACA will burden both large and small employers as they maneuver through a labyrinth of new federal regulations, tax credits and penalties. Several state programs also are of concern to the industry, including the New Mexico Medical Insurance Pool (NMMIP) that is no longer accepting new members; the Vaccine Purchasing Act, administered by the DOH, which recently produced incorrect invoices to businesses; and delays in the new Long-Term Care Partnership Program. The health insurance industry in the state is reeling, Ms. Sperling asserted, with numerous brokers retiring and many agencies being bought, sold and consolidated.

Motion for LHHS Letter to the Governor

A motion was approved for LCS staff to prepare a letter to the governor regarding multiple issues with New Mexico's health insurance market, including disappearance of PPO plans from the individual marketplace and the state's chronic shortage of health care professionals. Further, the letter will ask the governor to convene a meeting with health insurance regulators, carriers, brokers and agents, health care providers and consumers and state educational institutions to discuss these issues.

Health Insurance Market, Rate Review, Reinsurance, Risk-Adjustment; Update on the NMHIX

John Franchini, superintendent of insurance, told committee members that people need to be patient; there is no reason for hysteria about the evolving medical insurance system. PPOs have been pulled from health insurance exchanges in Texas, Illinois, New York, California, Florida, New Mexico and Washington, D.C., (see handout) and will soon be a thing of the past, but this will lead to a widening of HMO provider networks. Medical care will not be worse but it will be different, with many things better than before. In 2010 in Bernalillo County, over 50 percent of bankruptcies were caused by medical events; by 2014, that rate was just 16 percent. Medical care is not any worse than it was before, he asserted, it is just a different system of delivery. Superintendent Franchini urged all interested parties to work together to help make the system work in New Mexico, adding that it is the Office of Superintendent of Insurance's (OSI's) responsibility and authority to make certain the system is actuarially sound.

Lisa Reid, director of health and life at the OSI, provided details of the Vaccine Purchasing Act that assesses a business based on the number of children it insures in order to reimburse the state for the cost of vaccines. Ms. Reid said some miscalculations on invoices were related to self-insured plans that may have inadvertently double-reported their numbers. This is the DOH's program, she said, but the OSI oversees payments to the state. While the OSI does have the authority to impose fines for nonpayment, no one will be penalized or fined this year due to the misinformation and confusion.

Paige Duhamel, an attorney and health care policy manager at the OSI, demonstrated a new computerized provider network adequacy tool that has been mapped with a global positioning system. Two carriers, New Mexico Health Connections (NMHC) and Molina Healthcare of New Mexico, have provided their lists, and Presbyterian Healthcare Services has provided its West Texas data. This tool, updated monthly, also includes driving distances within a 60-mile radius. As the tool gets built out, the OSI eventually will require all carriers to submit their network data.

Amy Dowd, chief executive officer (CEO) of the NMHIX, provided an update on the NMHIX (see handouts). After CMS required redesign of the state's individual exchange plans, the NMHIX Board of Directors abandoned those efforts in favor of continuing to utilize the federal platform. Regulations and standards for a federal lease proposal are expected to be released this fall. Ms. Dowd described a significant increase in educational outreach efforts, with a special focus on rural areas and Hispanic and Native American consumers. There was a 63 percent increase in enrollments from the prior year, with 52,358 total plans selected. The third open enrollment begins November 1.

On questioning, committee members and Ms. Dowd discussed the following issues:

- factors increasing the cost of health care plans;
- New Mexico's role as a national model for Native American enrollment;
- assurance of local access to a state call center;
- an online course to increase certification of brokers who sell plans on the NMHIX;
- plans offered on the Small Business Health Options Program (SHOP) platform;
- importance of data collected from three years of enrollment;
- financial stability of the NMHIX; and
- potential development of a new basic health plan.

Health Insurance Market, Rate Review, Reinsurance, Risk Adjustment

Martin Hickey, M.D., is CEO of NMHC, an ACA-chartered nonprofit, consumer-operated health care plan that focuses on wellness and care coordination to lower health care costs. Dr. Hickey asserted that Americans are used to the best insurance paid for by someone else; other countries spend half of what Americans spend, yet their outcomes are better. The ACA's emphasis on risk adjustment (see handout) should be driving down health care costs, but several major New Mexico insurers have "gamed" the new system with federal risk adjustment transfers. The PPO model is not sustainable, he said, and has been subsidized by HMOs. Dr. Hickey

emphasized the importance of identifying risks and treating behavioral health and other chronic issues. Keeping people out of the hospital is where the profits are, Dr. Hickey said, touting NMHC's emergency room admission rates for 34,000 members as significantly lower than the state's rate and the national benchmark. NMHC is still in the red, Dr. Hickey said, but he predicted that in 2016 it will turn a profit that will be returned to policyholders in reduced premiums and to providers with higher reimbursements.

Brandon Fryar, vice president and chief financial officer of Presbyterian Health Plan, which has 450,000 members in New Mexico, said his nonprofit company's rate increases were moderate this year in a highly volatile market. Presbyterian is very concerned about affordability and is working cooperatively with the OSI. Mr. Fryar urged patience with the new market; it will take four or five years for ACA issues to be worked out.

Kurt Shipley, president of BCBSNM, said his company held most of the PPO individual market, and because its 51 percent rate increase request was denied, it cannot continue to offer these plans. BCBSNM is the largest health insurer in the state with over 600,000 members, and it will continue to offer HMO plans off the NMHIX that will be available to all individuals (see handout). Mr. Shipley assured committee members that his company would work with the OSI, health care providers and other stakeholders to provide support for its members during this transition.

On questioning, committee members and panel presenters discussed the following issues:

- expansion of provider coverage in Eddy, Chaves and Lea counties;
- the need for out-of-state treatment in some circumstances;
- why treatment at UNM can be more expensive than other options; and
- potential opportunities with increasing premium tax collections.

Update on the NMMIP

Representative Armstrong, who also is executive director of the NMMIP, provided a report on the pool's current membership of 3,388, down 1,500 from last year as those individuals moved on to the NMHIX. The NMMIP was created by the legislature in 1987 to provide access to health insurance for New Mexicans who were considered "uninsurable" and to stabilize the individual market (see handout). The pool is a nonprofit agency governed by a board of directors and financed by an assessment on health insurance carriers, with a per member per month cost of $3,418. Including a low-income premium program, rates are based on age and the amount of deductible that is applied. Under the ACA, there should no longer be a need for the pool, but in reality, the need remains, Representative Armstrong said. Superintendent Franchini agreed that the pool should be maintained for those with no other options. There is value in keeping high-risk individuals out to prevent disruption of the market at this time, he said. There is no sunset provision for the NMMIP, and legislative action would be needed to dissolve it. A complete examination of the pool is under way, Representative Armstrong said, and a report will be provided in November. Transition strategies for moving individuals out of the pool include

aligning coverage with ACA requirements, raising premiums and increasing education and assistance to enroll in Medicaid or NMHIX plans.

Health Coverage Affordability and Availability

Dick Mason, chair of the Health Care for All Coalition, congratulated the governor and legislators on the successful creation of the NMHIX. He also thanked former State Representative Thomas C. Taylor, who has requested a change in legislation to allow access to all plans in the state, not just those that are on the NMHIX. Enrollment in the NMHIX has been lower than expected overall, and he urged more outreach to Hispanics, additional mobile kiosks and more collaboration with state agencies. Affordability is still a major issue, with the cost of pharmaceuticals driving much of the cost. Seven states have enacted laws to cap costs, and New Mexico should join in this regulation.

Adjournment

There being no more business before the committee, the meeting was adjourned at 4:45 p.m.