

AN ACT

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RELATING TO HEALTH; DIRECTING THE HUMAN SERVICES DEPARTMENT TO INITIATE THE STUDIES, ANALYSES AND PILOT PROJECTS RECOMMENDATIONS OF THE MEDICAID REFORM COMMITTEE; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. STUDIES--ANALYSES--PILOT PROJECTS.--

A. The human services department shall, to the extent possible, carry out the studies, analyses and pilot projects recommended by the medicaid reform committee that was established pursuant to Laws 2002, Chapter 96 as follows:

(1) conduct a cost-benefit analysis of the carve out of the pharmacy drug benefit from the managed care system to a centralized administration of the benefit for the managed care system and the fee-for-service system;

(2) conduct:

(a) a comprehensive feasibility study and cost-benefit analysis of the replacement of the managed care system required pursuant to Section 27-2-12.6 NMSA 1978 with a statewide primary care case management model that assigns responsibility for care coordination to primary care providers and includes a medical and utilization review component designed to assist primary care providers in case management and that reimburses providers for these additional responsibilities and establish an ongoing evaluation of the primary care case management model's cost-effectiveness; or

(b) a pilot project for a primary care case management model for the fee-for-service population, or a selected subpopulation, that:

<p>(1) assigns responsibility for care coordination to primary care providers;</p>	<p>H B</p>
<p>(2) includes a medical and utilization review component designed to assist primary care providers in case management; and</p>	<p>4 1 2 P a g e</p>
<p>(3) reimburses providers for these additional responsibilities and evaluates the effectiveness of the pilot project;</p>	<p>2</p>
<p>(3) conduct:</p>	
<p>(a) a cost-benefit analysis and comparison of nonemergency transportation services under a state-managed model, brokerage models and other models; or</p>	
<p>(b) conduct a pilot project in a rural area and in an urban area for nonemergency transportation services for selected medicaid recipients in the fee-for-service system;</p>	
<p>(4) complete the analysis necessary for the global funding waiver currently in process in the department and review cost and effectiveness projections to determine whether the department should proceed with a request to the federal government for the waiver;</p>	
<p>(5) conduct a cost-benefit analysis and comparison of the personal care option's consumer-directed and consumer-delegated care components and evaluate the respective components for:</p>	
<p>(a) cost-effectiveness as an alternative to or intermediate step before institutional care;</p>	
<p>(b) projected long-term costs as currently operated;</p>	
<p>(c) need for oversight to ensure appropriate care for</p>	

recipients and prevention of fraud or abuse;

(d) the appropriateness of the eligibility criteria; and

(e) anticipated savings, if any, with greater use of the consumer-directed or consumer-delegated model;

(6) identify options for revising, limiting, reducing or eliminating medicaid services, while ensuring that the most vulnerable medicaid recipients are not adversely affected, and determine the feasibility and advisability of a federal waiver to implement proposed medicaid service changes;

(7) conduct an external analysis of selected medicaid prescription drug use in New Mexico with respect to trends in prescribing, utilization and costs and potential cost-savings initiatives;

(8) determine the feasibility of a federal waiver to include in the medicaid program persons currently served solely with state general funds through the health care programs and services of other agencies, including the department of health, the children, youth and families department and the state agency on aging;

(9) work with counties to determine the feasibility of a federal waiver to:

(a) include in the medicaid program persons who would qualify under the provisions of the Indigent Hospital and County Health Care Act;

(b) ensure that counties, in conjunction with the department, retain sufficient flexibility and accountability for the use of the county indigent hospital claims fund; and

(c) ensure that county funds for indigents not covered under the waiver are not diminished through its implementation; and

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(10) work toward a self-directed care option in the disabled and elderly and the developmentally disabled medicaid waiver programs, subject to appropriation and availability of federal and state funds.

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B. The department shall, to the extent possible, combine or coordinate similar initiatives in this section or in other medicaid reform committee recommendations to avoid duplication or conflict.

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C. The department shall, to the extent permissible, apply for public and private grants or claim federal matching funds.

D. If the funding is insufficient for all the initiatives in this section, the department shall prioritize the initiatives in conjunction with the appropriate legislative interim committee.

Section 2. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.