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FISCAL IMPACT REPORT

SPONSOR Armstrong/D, Thomson ORIGINAL DATE 1/28/19 LAST UPDATED _____ HB 88/ec

SHORT TITLE Health Care Value & Access Commission Act SB _____

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		
	\$2,000.0		Recurring	Health Care Value & Access Commission Fund

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$150.0	\$150.0	\$450.0	Recurring	General Fund, Health Care Value & Access Commission Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act.
House Bill 88 duplicates Senate Bill 101.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Aging and Long-Term Services Department (ALTSD)
Children, Youth and Families Department (CYFD)
Human Services Department (HSD)
Office of Superintendent of Insurance (OSI)
Retiree Health Care Authority (RHCA)

SUMMARY

Synopsis of Bill

House Bill 88 would create a Health Care Value and Access Commission as an adjunct agency that would provide oversight and implement recommendations to ensure the sustainability of the health care system in New Mexico. Duties of the Commission would be to:

- Collect data provided by state agencies;
- Provide focused comprehensive analyses of state health care data, cost data, utilization data, and financial information, to enable the development of a baseline of expenditures, quality indicators and utilization of the health care system as a whole;
- Prepare for state and federal changes to payments in coordination with all payers in the state;
- Identify innovative responses to address problems with access to care and monitor effectiveness of mitigating strategies;
- Take steps to identify and remove waste and inefficiency, to identify high-functioning health care delivery and coverage entities and outliers, and to propose reinvestment in feasible strategies;
- Propose new strategies to address emerging challenges in the provision of access to high-quality affordable health care;
- Review reports from health coverage entities, applicable state agencies, and health care delivery organizations;
- Seek and receive grant funding to defray the costs of operating the Commission;
- Generate funding, including charging assessments or fees, to support the Commission's operations;
- Assess proposals by state agencies and other entities;
- Review proposed private and public health care delivery system capital building and expansion, or consolidation or elimination of services, and issue a public report on the impact of these changes;
- Adopt and promulgate rules as necessary to establish and administer an All Payer Claims Database (APCD); and
- Recommend to the Superintendent of Insurance rules that the Commission deems necessary.

HB88 would allow the Commission to request and receive data collected by providers, provider associations and health coverage entities, and would require health coverage entities including state agencies, to provide such data. The bill specifies that Memoranda of Agreement (MOAs) for data-sharing would be required between the Commission and certain state agencies.

The bill would require the governor to call the first meeting of the Commission by July 1, 2019 and specifies that the Commission would be required to meet at least once monthly until December 31, 2020, after which it would be allowed to meet quarterly.

The Commission would be charged with developing a comprehensive operational plan, including policy or legislative recommendations, for building its research, analysis and advisory capacity. One component of the operational plan would be a timeframe and steps to fund and implement an All Payer Claims Database (APCD).

HB88 specifies that the Commission would be led by an executive director and maintain staff.

The bill contains an emergency clause.

FISCAL IMPLICATIONS

The bill would appropriate \$2 million from the general fund to the health care value and access commission fund for expenditure in FY20 and subsequent fiscal years to fund the establishment of the Health Care Value and Access Commission. Any unexpended or unencumbered balance remaining at the end of a fiscal year would not revert to the general fund but would instead revert to the health care value and access commission fund.

The bill proposes creation of the “health care value and access commission fund” as a nonreverting fund in the state treasury. The fund would consist of revenue from assessments, appropriations, reimbursements, gifts, grants, donations, and bequests made to the fund. Income from the fund would be credited to the fund, and money in the fund would not revert or be transferred to any other fund. Revenue in the fund is appropriated for the Commission to carry out the provisions of the Health Care Value and Access Commission Act.

Money in the fund would be disbursed on warrants signed by the secretary of the Department of Finance and Administration pursuant to vouchers signed by the Commission chair or the chair’s authorized representative.

The bill would task the Office of Superintendent of Insurance (OSI) with rulemaking for the Commission, and OSI estimates to carry out the provisions of the bill it would need \$150 thousand annually for staff.

The LFC’s FY20 budget recommendation includes \$900 thousand and the Executive budget recommendation includes \$1.8 million to the Department of Health to fund an All Payers Claims Database (APCD).

Continuing Appropriations

This bill creates a new fund and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the Legislature to establish spending priorities.

SIGNIFICANT ISSUES

The bill proposes creation of a Health Care Value and Access Commission to collect and report on state health data and make policy recommendations to improve the efficiency and effectiveness of the state’s health care system. The Commission would conduct data compilation and analysis, including housing an All Payer Claims Database (APCD), in collaboration with the Department of Health. The Commission would compile data about New Mexico health care

expenditures, quality indicators, and utilization trends. The Commission would develop responses to state and federal changes to the health care system and strategize about health care delivery system changes. The Commission will also be tasked with identifying and removing waste in the system and analyzing the effectiveness of state programs and federal waivers.

The Commission would consist of nine voting members, with five members each from one of the five Public Regulation Commission Districts with two members appointed by the governor and three members appointed by the Legislative Council; a governor-appointed member of a federally recognized Native American tribe, nation or pueblo; a governor-appointed public member; and the Superintendent of Insurance and director of the Legislative Finance Committee as ex officio members.

PERFORMANCE IMPLICATIONS

The bill does not set forth any performance measures for which the Commission would be held accountable.

ADMINISTRATIVE IMPLICATIONS

The bill charges agencies with providing data to the Commission, in a format specified in a memorandum of agreement (MOA) to be negotiated with the Commission. HSD notes the bill and the Commission should standardize the set of data submission rules across payers to minimize administrative burden.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HSD notes the bill should identify or create a Governance and Data Release Oversight Committee(s) to develop processes and procedures to address several key parameters that govern All Payer Claims Database (APCD) data collection, protection, use, linkage, and release. HSD led an APCD planning effort in 2015-2016 with participation from multiple stakeholders. The APCD plan is posted at <https://nmhealth.org/publication/view/plan/2273/>. The Department of Health has received funding to advance an All Payer Claims Database and requested additional funding for FY20, and new activities to plan for APCD implementation could be duplicative of these prior efforts.

TECHNICAL ISSUES

The Commission would be an adjunct agency, and not subject to the Procurement Code, Personnel Act, or Audit Act.

HSD notes the bill and the Commission should standardize the set of data submission rules across payers to minimize administrative burden.

HSD suggests adding the department as a member of the Commission given that Medicaid covers approximately 40 percent of the state's population, and maintains substantial health coverage data pertinent to the provisions of the bill.