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FISCAL IMPACT REPORT

SPONSOR Ferrary ORIGINAL DATE 3/12/19
 LAST UPDATED _____ HM 83

SHORT TITLE Centennial Care 2.0 Hearings SB _____

ANALYST Esquibel

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications				

(Parenthesis () Indicate Expenditure Decreases)

Relates to Medicaid appropriations in the General Appropriation Act.

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Memorial

House Memorial 83 (HM83) requests the Legislative Health and Human Services Committee (LHHS) conduct hearings during the 2019 interim relating to the extent to which beneficiaries in the Medicaid Centennial Care 2.0 program are able to access needed medical services for their health care as determined by:

- Wait times for primary care provider appointments;
- Specialist provider appointments for members with specific conditions such as high-risk pregnancies, diabetes, cancer, substance abuse disorder, behavioral health disorder or hepatitis C; and
- Rate of utilization of medical procedures required to treat these conditions as recommended by the most current clinical research and the centennial care 2.0 program's own clinical criteria for these conditions.

HM83 requests LHHS conduct hearings related to the impact that Medicaid managed care organizations (MCOs) have had on access to care for the program's beneficiaries and what actions have been taken to increase the provider networks contracted to serve the program's beneficiaries. The memorial requests a report detailing the hearings be made publicly available by the end of the 2019 interim.

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HM83 resolves that, if necessary, LHHS request a commitment from the Human Services Department (HSD) to facilitate a re-procurement for Centennial Care 2.0 by December 31, 2019, to ensure that the program has adequate coverage from selected Medicaid MCOs to raise the state's current national ranking on access to care for its beneficiaries and ensure these beneficiaries are receiving the high-quality health care deserved by all New Mexicans.

HM83 requests copies of the memorial be transmitted to the Governor, the co-chairs of the Legislative Council, and the chair and vice chair of LHHS.

FISCAL IMPLICATIONS

House Bill 2, as passed by the House and Senate Finance Committee, includes \$98.5 million in general fund support for the Medicaid program in FY20, an increase of \$51.9 million, or 5.6 percent, over the FY19 operating budget.

SIGNIFICANT ISSUES

As of March 1, 2019, the three newly contracted Medicaid managed care organizations have received the following numbers of Medicaid managed care enrollees:

- Presbyterian, 373,908
- Blue Cross and Blue Shield, 227, 202
- Western Sky, 59,323

The newest Centennial Care 2.0 managed care organization, Western Sky, has lost about 5,800 members since the start of 2019. To help the MCO establish its population base in the state, the Human Services Department auto-assigned just over 10 percent of total managed care enrollees, or 65,141 people, to Western Sky effective January 1, 2019. As of March 1, 2019, total managed care enrollment was up by 16,621 people, but Western Sky's enrollment had dropped to 59,323, or 9 percent of the total. Blue Cross Blue Shield has had the largest increase in membership, adding 13,712 new enrollees since January. Presbyterian Health Plan, the largest MCO with over 56 percent of all Medicaid recipients, saw its membership grow by 8,727.

OTHER SUBSTANTIVE ISSUES

The Legislative Finance Committee's 2016 Health Notes, *Medicaid Managed Care Provider Networks and Access to Care*, reported the following:

Over 850,000 people, or about 40 percent of New Mexicans, are enrolled in the state's Centennial Care Medicaid program, at a cost of over five billion dollars. Expanding Medicaid coverage, however, is of limited value unless we can confirm that there is meaningful access to care for all of these people. New Mexico is unlikely to see improved health outcomes without establishing and maintaining a strong foundation of provider networks through which patients can access healthcare to begin with.

The Human Services Department (HSD) monitors the adequacy of the Medicaid provider network by reviewing numerous reports from the state's four Centennial Care managed care organizations (MCOs). According to the reports, the MCOs are meeting their contractual requirements for geographic access to primary care providers (PCPs), as well

as most physical health, long-term care, and behavioral health providers. At the same time, the reports show some notable gaps in provider networks. There are shortages for a handful of physical health specialists such as dermatologists, neurologists, and rheumatologists, and there are significant behavioral health network gaps, particularly in the areas of access to various intensive outpatient therapies. In addition, the reports are not always accurate or timely; to date, HSD has assessed MCO sanctions totaling over \$5.5 million, the bulk of which were for problems with reports.

The Centennial Care contracts also include requirements regarding appointment timeliness standards. Simply having a healthcare provider located within a reasonable distance from a prospective patient's home is not a guarantee that the patient will be able to access services when needed. MCO reports provide an unclear picture of their compliance with this aspect of access to care, and HSD does not appear to be monitoring the issue. HSD reports steadily increasing use of hospital emergency rooms. A persistent portion of this use is for routine urgent care conditions, which may be an indicator that some Medicaid recipients are turning to the ER because they cannot get a timely appointment with their PCP.

The LFC conducted its own survey of PCPs in seven New Mexico counties, intending to gather data on wait times for routine new patient appointments. The LFC survey found average wait times for the surveyed counties ranged from three weeks to nearly two months. The survey also found significantly fewer PCPs accepting new Medicaid patients than has been reported by the MCOs. The LFC's review of Centennial Care MCO reports, combined with results from the LFC survey, lead to concerns that some Medicaid recipients in New Mexico may face barriers when they attempt to access the healthcare system.

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