

June 15, 2016

Brent Earnest, Secretary  
NM Human Services Department  
P. O. Box 2348  
Santa Fe, NM 87504

Dear Secretary Earnest:

Thank you for appointing me as Chair of the Benefit Package, Eligibility Verification and Recipient Cost-Sharing Cost Containment Subcommittee of the Medicaid Advisory Committee. I appreciated the opportunity to work with the Members of the Subcommittee and with Medicaid Director Nancy Smith-Leslie and her staff. The staff worked diligently to provide information, analyses, recommendations for consideration and documentation of the Subcommittee work. I would also like to thank the Subcommittee Members for their willingness to consider a range of options and allow open discussion of these options.

The Subcommittee met several times between April 19<sup>th</sup> and June 2<sup>nd</sup>, 2016. The Subcommittee completed its work at the final meeting on June 2<sup>nd</sup>. The Subcommittee, at its opening meeting, voted to allow all the meetings to be open, to schedule opportunity for public comment during selected meetings and to allow proxy members when appointed members were unable to attend.

With the help of Ms. Smith-Leslie and her staff, the Subcommittee reviewed and discussed current benefit packages, current federal guidelines regarding required and optional benefits and the procedures required for modifying benefits packages. The Subcommittee also reviewed eligibility verification requirements, current procedures and options. Because of the analysis of this information, the Subcommittee elected not to consider any recommendations or changes to these procedures at this time. The Subcommittee also considered a range of options for implementing premiums or co-pays.

The Subcommittee recommends that the Human Services Department pursue state plan authority for prescription drug copays as demonstrated in the table below.

	CHIP	WDI	Expansion Adults	Other Medicaid
<b>Prescription Drugs</b>	Preferred: \$4	Preferred: \$4	Preferred: \$4	Preferred: \$4
	Non-preferred: \$8	Non-preferred: \$8	Non-preferred: \$8 (all FPLs)	Non-preferred: \$8 (all COEs/FPLs unless exempt per CFR)

The Subcommittee would prefer that no other cost-sharing measures be taken, and that no changes be made to Medicaid benefits. However, understanding that the Department may feel it necessary to make such adjustments to comply with the directives in 2016 General Appropriations Act, the Subcommittee recommended that the Department consider: the administrative impact for the Department and providers; the potential impact on enrollees' access to health care coverage and health care services, and other health care conditions; and, the impact on service providers.

Thank you for asking the Subcommittee to consider these issues. Let me know if you need further clarification of the recommendations and whether additional work by the Subcommittee is needed.

Sincerely,

A handwritten signature in black ink, appearing to be 'E. Varela', followed by a long horizontal line extending to the right.

Eugene T. Varela  
Chair