

Medicaid Advisory Committee - MAC Meeting
Monday, January 27, 2020
MINUTES

Time: Start-1:10 pm End-2:36pm Location: Bataan Memorial Building, 407 Galisteo St. Santa Fe, NM 87504

Chair: Larry A. Martinez, Presbyterian Medical Services

Recorder: Alysia Beltran, Medical Assistance Division

Committee Members

Sylvia Barela, Santa Fe Recovery Center
Jeff Bustamante, BeWellNM
Ruby Ann Esquibel, LFC
Ruth Hoffman, Lutheran Advocacy Ministry NM
Gary Housepian, Disability Rights NM
Kathy Kunkel, NM DOH
Kristina Leeper, NMMIP
Meggin Lorrino, NM Association for Home & Hospice Care
Rick Madden, Family Physician
Rodney McNease, UNMH
Travis Renville, NDC
Nancy Rodriguez, NM Alliance of School-Based Health Care
Laurence Shandler, Pediatrician
Dale Tinker, NM Pharmacists Association
Vicente Vargas, NM Health Care Association

Brian Blalock, NM CYFD
Jeff Dye, NM Hospital Association
Eileen Goode, NM Primary Care Association
Katrina Hotrum-Lopez, NM ALTSD
Sharon Huerta, BCBSNM
Liz Lacouture, PHS
Ellen Leitzer, Senior Citizens Law Office
Carol Luna-Anderson, The Life Link
Sireesha Manne, NM Center on Law & Poverty
Carolyn Montoya, UNM College of Nursing
A. Terrie Rodriguez, NM Alliance of Health Councils
Buffie Ann Saavedra, AARP
Latha Shankar, WSCC
Russ Toal, OSI
Anthony Yepa, Indian Pueblos Council

Absent Members:

Sylvia Barela, Santa Fe Recovery Center
Eileen Goode, NM Primary Care Association
Katrina Hotrum-Lopez, ALTSD
Kristina Leeper, NMMIP
Rodney McNease, UNM Hospital
A. Terrie Rodriguez, NM Alliance of Health Councils
Dale Tinker, NM Pharmacists Association

Brian Blalock, NM Children Youth & Families Dept.
Ruth Hoffman, Lutheran Advocacy Ministry NM
Kathy Kunkel, NM Department of Health
Ellen Leitzer, Senior Citizens Law Offices
Travis Renville, Naataanii Development Corporation
Buffie Ann Saavedra, AARP New Mexico
Russ Toal, Office of the Superintendent of Insurance

Staff & Visitors Attending:

Dr. David Scrase, HSD Cabinet Secretary
Megan Pfeffer, HSD/MAD Deputy Director
Abuko Estrada, HSD/MAD
Kathy Slater-Huff, MAD
Dave Kimble, MMC
Angelica Bruhnke, Versatile Med Analytics
Carolyn Griego, WSCC
Michael Parks, Senior Citizens Law Office
Chris Viavnt, NMPCA
Jim Jackson, DRNM
Jenny Felmly, LFC

Nicole Comeaux, State Medicaid Director
Linda Gonzales, HSD/MAD Deputy Director
Valerie Tapia, MAD
Rogue Garcia, BAMHS
Quinn Lopez, WSCC
Stefany Goradia, Versatile Med Analytics
David Nater, Molina
Susie Kimble, BHPC
Kate Grand, DDPC
Colin Baillo, HANM

Kari Armijo, HSD/MAD Deputy Secretary
Elisa Moran-Walker, HSD/MAD Acting DD
Carmen Juarez, MAD
Martin Rosenblatt
Kurt Roger, LAM-NM
Neal Bowan, HSD BHSD
Scott Allocco, Sellers Dorsey
Mary Eden, PHS
Lorraine Padilla
Michael Spanier, Hyde & Assoc.

DISCUSSION ITEM	OUTCOME	FOLLOW-UP ACTION	RESPONSIBLE PERSON/ DEPARTMENT	EXPECTED OR REQUIRED COMPLETION DATE
1. Introductions	Larry Martinez convened the meeting and led the introductions. Larry introduced appointed members, staff and guests as they arrived during the meeting.	None	Larry Martinez, MAC Chairperson	Completed
2. Approval of Agenda	The agenda for this meeting was approved by all committee members in attendance, with no recommended changes.	None	Larry Martinez, MAC Chairperson	Completed
3. Approval of Minutes	The minutes from the April 15, 2019 meeting held at the Harold L. Runnels Building, O.A. Larrazolo Auditorium and the December 15, 2019 meeting held at the Human Services Division have been approved by the committee at the January 27, 2020 meeting.	Finalized minutes will be posted on the HSD website.	HSD/MAD Director's office	Completed
4. Legislative Priorities Update	<p>Secretary David Scrase presented on Legislative Priorities:</p> <p>Human Services Department (HSD) has created a Data Book that contains various sections, representing the types of information most frequently requested by a broad range of stakeholders. This date book can be found at the following link: https://www.hsd.state.nm.us/public-information-and-communications.aspx</p> <p>Governor's Health Priorities: A few of the legislative priorities for this year are: Drug Importation by Senator Papen & Representative D. Armstrong, Residency Requirements for Medical Cannabis Program by Senator Ortiz y Pino, Increasing Access & Affordability in the New Mexico Health Insurance Exchange by Representative D. Armstrong & Representative Cadena, Tobacco Licensing & Tobacco & E-Cigarette Sales by Senator Lopez & Representative Thomson, and Kiki Saavedra Senior Dignity Fund by Representative D. Armstrong.</p>	None	David Scrase, Cabinet Secretary, Human Services Department	Completed
5. MAD Director Update	<p>Director Nicole Comeaux presented on MAD updates:</p> <p>Mission: HSD's mission is to transform lives. Working with our partners, we design and deliver innovative, high quality health and human services that improve the security and promote independence for New Mexicans in their communities.</p>	None	Nicole Comeaux, Director, Medical Assistance Division, Human Services Department	Completed

DISCUSSION ITEM	OUTCOME	FOLLOW-UP ACTION	RESPONSIBLE PERSON/ DEPARTMENT	EXPECTED OR REQUIRED COMPLETION DATE
	<p>Goals: We help New Mexicans: Improve the value and range of services we provide to ensure that every qualified New Mexican receives timely and accurate benefits. We Communicate Effectively: Create effective, transparent communication to enhance the public trust. We make access Easier: Successfully implement technology to give customers and staff the best and most convenient access to services and information. We support Each Other: Promote an environment of mutual respect, trust and open communication to grow and reach our professional goals.</p> <p>Guiding Medicaid Principles:</p> <p>New Mexico has the highest population percentage covered by Medicaid, which creates a greater NM HSD responsibility to our healthcare market and to fair payments. The overwhelming majority of federal Centers for Medicare and Medicaid Services (CMS) dollars must be spent on providing direct services to Medicaid beneficiaries. HSD aims to maximally leverage federal funds to improve the health of New Mexicans, while maintaining strict compliance with the law.</p>			
6. Medicaid Budget Projections	<p>Acting Deputy Director, Elisa Walker-Moran presented on the Medicaid Budget Projection:</p> <p>The Medicaid budget projection is produced quarterly by economists in the Budget Planning and Reporting Bureau at the Medical Assistance Division of the Human Services Department.</p> <p>Medicaid Budget Update:</p> <p>The current quarterly budget projection is updated with data through December 2019. The estimated state revenue surplus in Fiscal Year (FY) 19 is \$9.4. The estimated state revenue shortfall in FY20 is \$24.5. The projected state revenue shortfall in FY21 is \$38.5.</p> <p>Federal Outlook (FY21 Budget Issues):</p> <p>Expansion for the Federal Medical Assistance percentages (FMAP) steps down again on January 1, 2019, to 93 percent and on January 1, 2020 to 90 percent. Regular FMAP rates increased slightly for NM. Children's Health Insurance Program (CHIP) reauthorization has 100 percent expired as of September 30, 2019. HSD will phase-out increased to states E-FMAP by 11.5 percent through September 30, 2020. E-FMAP reverts back on October 1, 2020. The Federal Health Insurance Provider Fee Removal in FY2021 Projection.</p> <p>Enrollment:</p> <p>Out of nearly 840 thousand total beneficiaries, including clients and recipients, almost 80 percent are enrolled in managed care, which covers roughly 40 percent of all New Mexicans. About 43 percent of the</p>	None	Elisa Walker-Moran, Acting Deputy Director, Medical Assistance Division, Human Services Department	Completed

DISCUSSION ITEM	OUTCOME	FOLLOW-UP ACTION	RESPONSIBLE PERSON/ DEPARTMENT	EXPECTED OR REQUIRED COMPLETION DATE
	<p>beneficiaries are children and about 54-59 percent of New Mexico children are enrolled in Medicaid.</p> <p>Medicaid Enrollment Changes:</p> <p>Physical health is projected to grow by .5 percent annually. From October 2018 to October 2019 growth was negative .69 percent. From June 2019 to December 2019 growth was at 1.03 percent. Long-term Services & Supports (LTSS) population is projected to grow by 1.5 percent annually (1.5 percent in prior projection). From October 2018 to October 2019 growth was at 0.65 percent and from June 2019 to December 2019 growth was at 1.65 percent. Medicaid expansion population is projected to grow by two percent annually (two percent in prior projection). From October 2018 to October 2019 growth was at 2.73 percent and from June 2019 to December 2019 growth was at 2.37 percent.</p> <p>FY2019 Projection:</p> <p>Medicaid Budget Projection FY2019 Expenditures: Centennial Care (CC)- Physical Health with the FY19 total of \$1.4 million with a negative .03 percent change from FY18. Previous Projection was \$1.4 million with a negative \$1.3 thousand shortfall change from previous. CC Medicaid Expansion Physical Health's FY19 was a total of \$1.2 million with a 1.30 percent change from FY 18. The previous projection was \$1.2 million with a \$7 thousand change from pervious. CC Managed Care Organization (MCO)'s FY19 total was \$4.2 million with a negative 1.03 percent change from FY18. The previous projection was \$4.2 million with a \$5 thousand change from previous.</p> <p>Medicaid Budget Projection FY2019 Revenues:</p> <p>This year's general fund need is \$9 hundred thousand with FY19 appropriation of \$9 hundred thousand and a state revenue surplus of \$9 thousand with a \$500 change from previous.</p> <p>FY2020 Projection:</p> <p>Medicaid Budget Projection FY2020 Expenditures: Disproportionate Share Hospital/ Direct Graduate Medical Education/ Indirect Medical Education (DSH/GME/IME) FY20 total is \$201 thousand with a 25.28 percent change from FY19, the previous projection is \$199 thousand and a \$1 thousand change from previous. The Safety Net Care Pool (SNCP)/ Hospital Quality Improvement Incentive (HQII) Pool FY20 total is \$55 thousand with a negative 30.85 percent change from FY19, with a previous projections of \$80 thousand which is a negative \$24 thousand change from the previous. IHS Hospital's FY20 total is \$124 thousand with a 2.01 percent change from FY19, with a \$125 thousand from the previous projection and a negative \$1 thousand change from the previous. Fee-For-Service (FFS) subtotal has a total of \$766 thousand for the FY20 with a 6.04 percent change from FY19, with \$793 thousand from the precious projection and a negative \$26 thousand change from the previous. CC MCO subtotal for the FY20 is \$4</p>			

DISCUSSION ITEM	OUTCOME	FOLLOW-UP ACTION	RESPONSIBLE PERSON/ DEPARTMENT	EXPECTED OR REQUIRED COMPLETION DATE
	<p>million with a 14.59 percent change from FY19, and a \$4.7 million from the previous projections and a \$175 thousand change from previous. Medicare Part D, Hospitals & Provider, Rate Increases, SB246 Health Care, Quality Surcharge, and Contracts and Utilization Review have a grand total for FY20 of \$6.4 million with a 14.68 percent change from FY19, \$6.1 million from the previous projection with a \$251 thousand change from the previous. The FY20 appropriation from the FY20 revenue is \$985 thousand. The general fund for FY20 revenue is \$1 million with \$25 thousand change from the previous. FY20 appropriation for House Bill 2 and House Bill 6 is \$34 thousand for FY20 revenue. The state Revenue Surplus/ (Shortfall) for the FY20 revenue is negative \$24 thousand with a negative \$25 thousand change from previous.</p> <p>FY2021 Projection:</p> <p>Medicaid Budget Projection FY2021 Expenditures: DSH/GME/IME have an FY21 total of \$202 thousand with a zero percent change from FY20, \$199 thousand from the previous projection and a \$2 thousand change from the previous. SNCP/ HQII Pool have \$31 thousand with a negative \$44.57 percent change from FY20, a \$80 thousand from the previous projection and negative of \$49 thousand change from the previous. IHS Hospital is \$124 thousand with \$128 thousand from previous projection and a negative \$4 thousand change from the previous. FFS subtotal have a FY21 total of \$749 thousand with a negative 2.42 percent, which is a \$802 thousand from the previous projection and a negative \$53 thousand change from the previous. Developmental Disabilities (DD) and Medically Fragile (MF) Waivers are \$515 thousand with a 17.42 percent change from FY20, a \$529 thousand from the previous projection and a negative \$13 thousand change from the previous. Supports Waiver have \$27 thousand FY21 total with a \$22 thousand from the previous projection and a \$4 thousand change from the previous. Total waivers have \$542 thousand with a 23.59 percent change from FY20, a \$551 thousand from previous projection and a negative \$9 change from the previous. CC MCO subtotals are at \$5 million for FY21 with a 5.58 percent change from FY20, a \$4.9 million from the previous projection with a \$210 change from the previous. Medicare Part D, Hospitals & Provider, Rate Increases, SB246 Health Care, Quality Surcharge, and Contracts and Utilization Review have a grand total for \$6.8 million for FY21 with a seven percent change from FY20, which is \$6.6 million from the previous projection and a \$193 thousand change from the previous. FY21 Executive Recommendation for the FY21 revenue is \$1 million. The general fund need is \$1.1 million with a negative \$12 thousand from change of prior year. State revenue surplus/(shortfall) for the FY21 Executive Recommendation is negative \$28 thousand for a \$24 thousand change from request and a negative \$12 thousand change from prior.</p>			

DISCUSSION ITEM	OUTCOME	FOLLOW-UP ACTION	RESPONSIBLE PERSON/ DEPARTMENT	EXPECTED OR REQUIRED COMPLETION DATE
	<p>Proposed process improvements to avoid budget disconnects in future years:</p> <p>Health and Human Services (HHS) 2020 will route all claims through HSD to have real-time information (and not use under one year old data to project out 18 months). "Baby bot" to provide real time enrollment of new infants and reduce retroactive adjustments by XXX% so most current membership data is used. Work closely with the Legislative Finance Committee (LFC) staff to develop a joint recommendation on membership projections. Complete January projection early enough (and schedule hearing late enough) to incorporate into HSD LFC hearings. Reschedule future rebasing efforts to occur every two years in June so results can be built into budget. Accept non-data driven cuts to Medicaid budget must be accompanied by corresponding policy changes; and, create workgroups to accomplish this contemporaneously with such budget revisions.</p>			
7. Dashboards	<p>Director Nicole Comeaux presented on Dashboards:</p> <p>HSD has met with Mercer to produce this information. There are several drivers which are leading to the numbers we are seeing. The largest contributor of this change in the Medicaid budget is the Medicaid trend overall. There has been a significant amount of growth. When that data came in, it shows there is a significant amount of growth across the managed care section. The data Mercer provides only runs until September and it does not account for the retroactivity that will count towards some of the increase we are seeing. There is considerable growth in the managed care population. The per member per month (PMPM) is where you can see the growth numbers rather than the aggregate medical cost for the program. A lot of the reason we are seeing this change in the budget is because of the policy changes that we've outlined in the budget are taking affect. HSD is seeing growth and utilization, members using the health care that they need through the Medicaid program. HSD is also seeing in particular growth in behavioral health. There has been an MCO growth more in the expansion group, and the last three months have a drip due to lack of retroactive data. In the LTSS trends, there are healthy dual populations that reflects growth. In Nursing Facility (NF), there is a decrease in utilization for the Nursing Facility Level of Care (NFLOC) population as well, although Self-Directed Community-Based (SDCB) shows consistent growth.</p>	None	Nicole Comeaux, Director, Medical Assistance Division	Completed
8. Adjournment	The meeting adjourned at 2:36 pm. Date for the next regular meeting is scheduled on April 27, 2020.	See HSD website for upcoming meeting date(s)	Larry Martinez, MAC Chairperson	Completed

Respectfully submitted:

Alysia Beltran

April 6, 2020

Recorder

Date