

**Medicaid Advisory Committee-MAC meeting**  
**Monday, January 29, 2018**  
**MINUTES**

**Time: Start-9:00am End-9:48am Location: Room 326, State Capitol Roundhouse, Santa Fe**

Chair:

Larry A. Martinez, Presbyterian Medical Services

Recorder:

Desbah Farden, Medical Assistance Division

Committee Members:

Sylvia Barela, Santa Fe Recovery Center  
 Michael Batte, Public Member  
 Natalyn Begay, Ohkay Owingeh  
 Jim Copeland, NM Department of Health  
 Ramona Dillard, Pueblo of Laguna  
 Jeff Dye, NM Hospital Association  
 Mary Eden, Presbyterian Healthcare Services  
 Jim Jackson, Disability Rights NM

Eileen Goode, NM Primary Care Association  
 Meggin Lorino, NM Association for Home and Hospice Care  
 Carol Luna-Anderson, The Life Link/Behavioral Health Planning Council  
 Richard Madden, NM Chapter of the American Academy of Family Physicians  
 Linda Sechovc, NM Health Care Association  
 Laurence Shandler, Pediatrician  
 Gene Varela, AARP New Mexico  
 Dale Tinker, NM Pharmacists Association

Absent Members:

Mark Freeland, Navajo Nation  
 Michael Hely, NM Legislative Council Service  
 Kristin Hendricks, Pediatric Dentist  
 Ruth Hoffman, Lutheran Advocacy Ministry NM  
 Monique Jacobson, NM Children, Youth, & Families Dept.

Kim Jevertson, Public Member  
 KyKy Knowles, Aging & Long Term Services Department  
 Rodney McNease, UNM Hospital  
 Carolyn Montoya, UNM College of Nursing

Staff & Visitors Attending:

Nancy Smith-Leslie, Medicaid Director  
 Angela Medrano, HSD/MAD Deputy  
 Abuko D. Estrada, NM Center on Law & Poverty  
 Jody Harris, UNM  
 Cris Valladares, Celgene  
 Liz LaCouture, Presbyterian Healthcare Services  
 Scott Allocco, Sellers Dorsey  
 Margaret White, Health Insight  
 Jennifer Vigil, HSD/MAD

Brent Earnest, HSD Secretary  
 Mike Nelson, HSD Deputy  
 Carolyn Griego, Molina  
 David Roddy, NM Primary Care  
 Bill Jordan, Voices  
 Mary Kay Pera, NM Alliance for School-Based Health Care  
 Joie Glenn, Advocacy for Home and Hospice Care  
 Nancy Rodriguez, New Mexico Alliance for School-Based Health Care

Jason Sanchez, HSD/MAD Deputy  
 Wayne Lindstrom, BHSD  
 Ellen Pinnes  
 James Kotusky, Gilead Sciences  
 Jason Espinoza, ACI

DISCUSSION ITEM	OUTCOME	FOLLOW-UP ACTION	RESPONSIBLE PERSON/DEPARTMENT	EXPECTED OR REQUIRED COMPLETION DATE
I. Introductions	Larry Martinez convened the meeting and led the introductions. Larry introduced appointed members as they arrived during the meeting. He explained that this annual meeting in January is a special meeting to focus on the Medicaid budget.	None	Larry Martinez, MAC Chairperson	Completed

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II. 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
III. Approval of Minutes	The minutes from the October 16, 2017 meeting held at the Garrey Carruthers State Library were approved by the committee with no corrections.	Finalized minutes will be posted on the HSD website.	HSD/MAD Director's office	Completed
IV. Director's Update	<p><b>Nancy Smith-Leslie provided a brief Director's report:</b></p> <p>Funding for the (Children's Health Insurance Program) CHIP program has been reauthorized by the federal government for six years through 2023.</p> <p>HSD's enhanced federal match remains in effect for (federal fiscal year) FFY18 and FFY19. Nancy Smith-Leslie briefly explained there is a step down to normal CHIP match rate that will occur in FFY21-FFY23. The impact will be seen in future budget projections.</p> <p>The HSD Medical Assistance Division has selected the following managed care organizations to administer the Centennial Care 2.0 Medicaid program, effective January 1, 2019: Blue Cross Blue Shield of New Mexico, Presbyterian Health Plan, and Western Sky Community Care, Inc., which is a subsidiary of Centene Corporation. HSD is still in the procurement process and no further information could be presented at this time.</p> <p>Nancy Smith-Leslie responded to a request from the committee to briefly explain the readiness period, enrollment period, and outreach plans.</p> <p><b>She also updated the committee on the 1115 Waiver renewal</b> and explained the application was submitted in December (2017). CMS has a 30-day public comment period which will end January 30, 2018. Nancy explained the next step in the process will be to begin negotiations with CMS which will occur over many months.</p> <p>Nancy Smith-Leslie explained the 1115 Waiver application included language about HSD/MAD's interest in collaborating with an Indian (Native American) managed care organization (MCO) or entity per the</p>	The address for the HSD website: <a href="http://www.hsd.state.nm.us/">http://www.hsd.state.nm.us/</a>	Nancy Smith-Leslie, Director, Medical Assistance Division, Human Services Department	Completed

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	federal provisions for such an entity. Nancy then announced that the Division has released a request for information (RFI) available on the HSD website to test the market and determine if this effort can be further developed further. Nancy mentioned responses are due by February 15, 2018.			
V. Medicaid Budget Projections	<p><b>Jason Sanchez presented the Medicaid Budget Projections</b>, beginning with the enrollment projection.</p> <p><b>Enrollment Projection</b>-Jason Sanchez presented the Medicaid enrollment information before the financial projections and commented that enrollment drives the budget. Jason described the point in time, in November 2017, when enrollment estimates reached their lowest point. Next Jason Sanchez explained that the decrease in enrollment (Column 0) is due to the federal requirement of re-determining Medicaid eligibility every twelve months and is observed among all eligibility categories. Jason reported a similar pattern occurs in the Total MCO category (Column S) where the managed care enrollment reached “a peak” in March of 2017 then dropped to the current enrollment figure of approximately 673,221. Further, Jason Sanchez explained the enrollment projection for end of state fiscal year (SFY18) remains unchanged and that enrollment figures remain low. Jason Sanchez also explained the Expansion population enrollment is projected to increase. Following the enrollment projections the committee asked about possible eligibility changes, which Nancy Smith-Leslie responded have not occurred to date but there are some proposed changes in the 1115 waiver renewal to be negotiated with CMS.</p> <p><b>FY17 Budget Projection is a Lag Model</b> based on actual data through December 2017. Jason Sanchez reported a decrease in the projection of approximately \$18 million in the Fee for Service parts of the projection. Jason reported the decrease is tied to a change in Fee-for-Service (FFS) enrollment. Jason explained a technical change in the budget projections was made to decrease the utilization review projection (row 29), with a corresponding increase in DD and Mi Via (rows 18 and 19) waiver programs. Jason explained an evaluation was completed to reconcile the risk corridor that resulted in a lower projected amount collected from the MCOs of approximately \$17.1 million. Jason Sanchez reported FY17 revenue page shows a general fund need of approximately \$903.5 million. Jason reported that amount is a decrease of \$4.6 million from the last budget projection. Jason reported an overall state surplus of approximately \$22.5 million for FY17, and an overall state surplus of approximately \$8.8 million, after the initial reversion of funds.</p> <p><b>FY18 Budget Projection is also a Lag Model</b> based on actual claims up until December 2017. Jason Sanchez explained the shifts in data</p>	None	Jason Sanchez, Deputy Director, Medical Assistance Division, Human Services Department	Completed

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	<p>that are typically associated to Fee-for-service (FFS) projections of expenditures being higher than projected. Fee-for-service “other” expenditures such as transportation, prosthetics, X-ray, and hospice are being monitored as these expenditures are lower than projected. Jason responded to question regarding lower inpatient hospital expenditures and responded there is not more utilization, but rather higher costs per user. Jason Sanchez reported that the FY18 projection includes (physical health) rate changes that are lower than previously projected, and outlined several percentages of revenue that are associated to both enrollment and rates. On the revenue page, Jason explained the amount to reflect the federal disallowance related to IHS referral is reduced to 0 because no revenues are expected in FY18, and that the Division continues to work with CMS to claim an additional enhanced match moving forward. Jason Sanchez reported there is a General Fund need of approximately \$909.7 million and a state revenue surplus of approximately \$5.9 million which is an increase from the last projection.</p> <p><b>FY19 Budget Projection is a Trend Model</b> based on the FY18 Lag Model. Jason Sanchez reported on the changes or adjustments made to expenditures. He reported on a significant shift regarding the Health Insurer Provider Fee (line 33), explaining that the payment for 2019 was suspended due to the “Continuing Appropriations Act of 2018” passed by Congress in January 2018. Jason explained the health insurance provider fee is not in effect for CY 18. He introduced Line 39 as a new line in the FY19 budget projections. Line 39 represents Centennial Care 2.0 Initiatives which Jason reported is the net (cost/expense) of all initiatives and results in a net increase of expenditures projected. The committee questioned what items are included in this initiative and HSD management described it included expansion of health homes, new home visiting pilot, a new supportive housing benefit, etc. On the revenue page, a question was posed about the DOH revenue lines. Secretary Brent Earnest stated the expenditures in this projection are tied to Legislative Finance Committee (LFC) recommendation which was adopted initially by House Appropriations and Finance Committee (HAFC). The discussion outcome was there will be a further adjustment to the FY19 projections regarding this line item pending the final approved budget. Jason Sanchez provided a brief update on the known tobacco settlement and reported that the Division will not pursue the remaining \$18 million in funds in tobacco revenue. An overall general fund need of approximately \$929.3 million was reported when compared to the executive recommendation of \$953.2 which results in an overall need of approximately \$23.9 million.</p>			
VI. Adjournment	Before the meeting adjourned Larry Martinez asked if anyone in attendance had any questions. There were no questions presented by the audience. The meeting adjourned at 9:48am. Date for the next regular meeting was not announced.	See HSD website for upcoming meeting date(s)	Larry Martinez, MAC Chairperson	Completed

Respectfully submitted:

Desbah Farden

Recorder

January 31, 2017

Date