

**Medicaid Advisory Committee (MAC)**  
**Provider Payments Cost-Containment Subcommittee**  
**March 24, 2016 Time: 1:30 – 4:00 p.m. Place: BHSD Plaza la Prensa**

Chair: Joie Glenn, NM Association for Home & Hospice Care

Recorder: Shawna Crist-Ruiz, HSD/MAD

Committee Members: Linda Sechovec, NM Health Care Association  
 David Roddy, NM Primary Care Association  
 Jeff Dye, NM Hospital Association  
 Laurence Shandler, MD, Pediatrician  
 Ginna Hendricks, Santa Fe Dentistry for Kids (proxy for Kris Hendricks)  
 Steve McKernan, UNM Hospital  
 Donna Garcia, Presbyterian Delivery System

Absent Members: Carolyn Montoya, UNM School of Nursing  
 Floyd Thompson, Indian Health Service

Subject Matter Experts: Shawn Ricketts, Heritage Home Healthcare  
 Jordan Erp, Presbyterian Delivery System  
 Dan Weeks, NM Hospital Association

Staff & Visitors Attending: Nancy Smith-Leslie, HSD/MAD  
 Kari Armijo, HSD/MAD  
 Robyn Nardone, HSD/MAD  
 Kristin Abdill, HSD/OOS  
 Wayne Lindstrom, HSD/BHSD  
 Karen Meador, HSD/BHSD  
 Jenny Felmley, LFC

DISCUSSION ITEM	OUTCOME	FOLLOW-UP ACTION	RESPONSIBLE PERSON/ DEPARTMENT	EXPECTED OR REQUIRED COMPLETION DATE
I. Introductions	Joie Glenn welcomed subcommittee members and introductions were made.	None	Joie Glenn	Complete
II. Approval of Minutes	The minutes from previous meeting, March 18, 2016 were approved with corrections.	None	Shawna Crist-Ruiz, Scribe	Complete

DISCUSSION ITEM	OUTCOME	FOLLOW-UP ACTION	RESPONSIBLE PERSON/ DEPARTMENT	EXPECTED OR REQUIRED COMPLETION DATE
<p>III. Review subcommittee scope</p>	<p>For those who had missed the first meeting, Nancy Smith-Leslie reviewed the three phases of the subcommittee's work as set forth in the charge. Emphasis was placed on Phase 1, which is to develop recommendations about provider payment reductions as outlined in House Bill 2. The subcommittee was reminded of the urgency for Phase 1, as there would only be two additional meeting to develop recommendations by the due date of April 8. Nancy Smith-Leslie stated that the goal for savings in Phase 1 is \$25-\$35 million in state general fund.</p> <p>The subcommittee was asked to discuss guiding principles for developing and making recommendations to HSD. Donna Garcia, Jeff Dye and Linda Sechovec reviewed their written suggestions. The subcommittee discussed issues such as defining "equitable" for any rate reductions, ensuring a "balanced impact" across providers, exploring revenue options such as intergovernmental transfers (IGTs), preserving access to care, and avoiding cuts that could result in increasing costs over the long-term.</p> <p>Steve McKernan and Jeff Dye expressed concern that since reimbursements are negotiated between the providers and the MCOs, the hospitals may receive a more significant reduction than any percentage reduction defined by the Department.</p>	None	Subcommittee	Complete
<p>IV. Discuss approach to decision-making for Phase 1.</p>	<p>The subcommittee discussed how to proceed with discussing and making more concrete recommendations. Consensus was not reached until the conclusion of the meeting, as reflected in Item VIII below.</p>	None	Subcommittee	Complete
<p>V. Revisions to Medicaid rates analysis and regional comparison</p>	<p>Kari Armijo reviewed a document showing how New Mexico compares to its neighboring states for Medicaid reimbursement. Data were also provided to show a reimbursement comparison to Medicare for certain CPT code sets.</p> <p>Nancy Smith-Leslie presented a timeline of all rate increases that have occurred since 7/1/13. There were some comments from Linda Sechovec about the timeline of nursing facility rate increases. She believed the 2013 rate increase actually occurred in 2012. Jeff Dye noted that the large hospital rate increase in 2014 was related to the change from Sole Community Fund program to the Safety Net Care Pool program in Centennial Care as previous funding was transferred into the managed care rates for a net decrease in overall funding..</p>	None	Subcommittee	Complete

DISCUSSION ITEM		OUTCOME	FOLLOW-UP ACTION	RESPONSIBLE PERSON/ DEPARTMENT	EXPECTED OR REQUIRED COMPLETION DATE
VI.	Discuss Safety-Net Hospital reduction analysis	Dan Weaks stated that there would be a compounding impact for hospitals if the department were to implement a SNCP reduction as well as an across-the-board rate decrease to hospitals, resulting in a disproportionate overall hospital reduction.	None	Subcommittee	Complete
VII.	Discuss discontinuance of PCP enhanced rate	The subcommittee discussed the discontinuance of the enhanced payment for primary care providers (PCP). Concerns were expressed about access to care and increasing costs for hospitals if access to primary care is affected by rate reductions. It was suggested that the department consider a corresponding increase in certain preventive codes if the PCP enhanced payment is rescinded to ensure that providers are not discouraged from providing preventive care and Well-Child visits. Some subcommittee members asked the department to examine utilization and rates for out-of-state care that could be provided in New Mexico.			
VIII.	Open discussion	Donna Garcia expressed concern that the subcommittee needed to move more quickly toward discussion of recommendations and decision-making in order to meet the department's April 8 deadline. She suggested that each subcommittee member bring back several draft recommendations to the next meeting for wider discussion. The subcommittee agreed with this approach.  Some subcommittee members expressed concern about benefit overutilization and suggested some additional discussion on those related issues. Kari Armijo responded that there would be a specific MAC subcommittee convened to discuss cost containment associated with the benefit package, including recommendations for utilization management.	Bring draft recommendations to the next meeting for discussion	Subcommittee	Next meeting – March 29, 2016
IX.	Closing remarks and adjournment	The meeting was adjourned.	None	Joie Glenn, Chair	Complete

Respectfully submitted:

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Shawna Crist-Ruiz  
Recorder

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3/25/16  
Date