

MINUTES OF THE STATE OF NEW MEXICO
HEALTH POLICY COMMISSION MEETING

March 17, 2006

CALL TO ORDER

Chair Lopez called a regular meeting of the State of New Mexico Health Policy Commission (HPC) to order on Friday, March 17, 2006, at approximately 9:07 a.m. at the Health Policy Commission Office, 2055 South Pacheco, Santa Fe, New Mexico.

Members Present

Waldo Anton
Dr. Frank Hesse
Andy R. Lopez
Seferino Montano
Moises Morales
Dr. Miles Nelson
Alicia Roman
Dr. Michael Trujillo

Members Absent

Rick Crabtree (*excused*)

Welcome and Introductions

Chair Lopez welcomed everyone to the meeting.

Staff members Dr. Larragoite, Kooch Jacobus, Joel Flores, and Kevin McMullen were present at the meeting. Dr. Larragoite introduced new staff member Catherine Burton who will be filling the Special Projects Coordinator position.

Approval of Agenda

Commissioner Anton moved for approval of the agenda. Dr. Nelson seconded the motion, which passed by unanimous voice vote.

Approval of Minutes from February 17, 2006 Meeting

Commissioner Anton moved for approval of the February meeting minutes as written. Dr. Trujillo seconded the motion, which passed by unanimous voice vote. Commission Roman abstained from voting.

DIRECTOR'S REPORT

Legislative Final Report

Dr. Larragoite reported HB 493, titled Childbirth Health Care Problem Alternatives and sponsored by Representative Picraux, identifies HPC as the lead for a study to examine alternatives for resolving problems relating to reducing the injuries suffered in the course of childbirth as well as the cost and availability of malpractice insurance for childbirth health-care professionals and institutions. This bill is actually an extenuation of the Malpractice Study done last year by HPC staff but is different in that it relates to childbirth and staff is currently in the process of identifying the members of the task force. The bill's original appropriation was \$80,000, with the final appropriation at \$30,000.

Dr. Larragoite stated the second bill, SB 280, appropriates \$500,000 to the Legislative Council Service for FY 2006-2008 to set up and administer a 39-member committee to explore different models for achieving health coverage for all New Mexicans. The committee's membership will include six members from the House of Representatives, six members from the Senate, 20 members representing the insurance industry, employers, nonprofit organizations, the health care advocacy community, the general public, insurance brokers, health care practitioners, and labor, and six members to include the secretaries from Humans Services, General Services and Health.

Dr. Larragoite explained that as the bill went through the process it was changed several times, amended, and then finally vetoed by the Governor. Even though the bill died, the appropriation stayed for the study and automatically defaulted to the Legislative Council Service. (LCS) He added HPC will be involved in some aspects.

Ms. Kooch Jacobus reported the memorial regarding behavioral health requesting a study of the number of bi-lingual professionals in mental health did not get passed although it did pass committees in both houses. Dr. Larragoite added this memorial was endorsed by the HPC after Jose Villegas' presentation to the commission during the December meeting.

Ms. Jacobus provided the Commission with a 2006 Legislative Summary pointing out it included all of the bills introduced, the action taken by the Governor, and the total statistics of bills for both the House and Senate. She added if the Commission was interested in any particular bill, it could be accessed on the legislative website.

NEW MEXICO COMPREHNSIVE STRATEGIC HEALTH PLAN

Mr. Howard Gershon explained the strategic plan will be a three to five year plan. The purpose is to identify HPC as an essential, proactive state agency. The plan will allow the HPC to identify critical issues, provide motivation in dealing with those issues, and supply leadership to the community. The HPC should be viewed as independent and should be trusted for its' expertise.

Mr. Gershon explained that the first of the three phases, the collection of information, has been completed. He is now moving into the second phase with a work session planned within the next few weeks. At the Commission's April meeting he will present a draft plan for review and input by the Commission.

Mr. Gershon pointed out during the first phase of the process he met with staff, Commissioners, and other state agencies. After the meetings it was clear to him that most people do not have a good understanding of the HPC's purpose. He added a mission statement, which is very important for every organization to have, essentially defines the purpose of an organization in a short one-sentence statement.

Mr. Gershon asked the Commission to review and comment on his draft mission statement which states: the HPC provides independent research, guidance and recommendations on health policy issues impacting the health status of New Mexicans. After a brief discussion, the Commission suggested adding the word "positive" to the statement, as well as something to the effect that HPC is an independent state agency.

Mr. Gershon then asked the Commission to review and comment on his draft vision statement which states: HPC will help New Mexicans improve their health status by becoming the State's trusted advisor on health policy issues. The Commission will provide leadership in identifying critical health care issues; be trusted by peers and colleagues for its independence and expertise; and maintain a positive work environment where staff treats each other with respect and dignity.

Mr. Gershon stated the next step will be to meet again with the management team, finalize both statements and begin developing strategies that will enable the HPC to forward, make an impact and be valued and trusted in the area of health policy. He added he would be returning with an outline of the strategies the Commission needs to pursue at the Commission's April meeting.

HEALTH HOT TOPICS WORK SESSION

Dr. Larragoite explained HPC's manpower was currently be analyzed and staff has been requested to prepare a work plan for the current 2006 calendar year identifying all projects and timelines. When projects or requests come to the agency, he will know what staff resources are available and will be better equipped to direct staff activities and priorities.

Dr. Larragoite reported when the Behavioral Health Purchasing Collaborative (BHPC) was first formed, it included all cabinet secretaries and executive directors of state agencies, but some members have since dropped out and have not been replaced because of new cabinet appointments. There would have to be a legislative amendment in order for the new appointments to be added to the collaborative. The BHPC has created local collaboratives based on 14 judicial-districts throughout the state with two additional collaboratives for Native Americans. Dr. Larragoite stated guidelines were used to determine the membership to the local collaboratives and that membership has been chosen and accepted. One of the objectives was to address the behavioral health needs of the local people and to insure that health care mandates are being followed.

The BHCP contract, awarded to Value Options after going through the RFP process, consists of three phases over three years. The first phase determined that any services currently being provided would not be cut. Dr. Larragoite provided the Commission with a fact sheet on Value Options 2006 funding and services, stressing the importance of not moving forward to the second phase until the initial phase had been determined.

In response to a question from Commissioner Anton, Dr. Larragoite reported the BHPC will establish how many providers exist that practice and are licensed in the states of Colorado, Arizona, and Texas, and have a New Mexico Medicaid provider number, and how many New Mexico residents seek care across the border to other states

Ms. Jacobus reported each judicial district, following guidelines; formed local collaboratives made up of providers and consumers, and noted that certain behavioral health providers chose not to join. The collaboratives meet on a regular basis and at this time, believe communication is a major issue. They have also asked for clarification on what is expected of the collaboratives.

Dr. Larragoite reported that Value Options has identified those primary care givers who have received duplicate payments and the amounts of payment for services provided. The MacArthur Foundation is looking at the BHPC as a pilot program. They will periodically visit the state to survey the local collaboratives and provide the HPC with an independent analysis. Dr. Larragoite will provide the Commission with the final report. He further indicated that he will furnish the Commissioners with a schedule of BHCP's future meetings.

Dr. Hesse stated his concerns regarding access and quality of health care for Native Americans. Dr. Trujillo explained the federal funding process and the areas being cut, Dr. Larragoite stated it could be an issue of concern for the HPC, considering the possible effects the reductions would have on both the consumers and the state.

Dr. Larragoite reported the 2006 work plan for the Governor's Oral Health Council is to develop a New Mexico comprehensive oral health plan. The draft is scheduled to be completed by September 15, 2006, with the final version finished by the end of October so it will be ready for the 2007 legislative session.

Dr. Larragoite stated another current project is a collaborative effort with the Department of Health (DOH) office of Epidemiology. One aspect of the HPC's IT strategic plan is to create a virtual private network with the hospitals. With the creation of such a network, data like the Hospital Inpatient Discharge Data the HPC collects could be collected electronically. This system would ease the burden of the collection process for both the hospitals and the agencies requesting information. Furthermore, it would decrease the amount of time it takes to collect the data. The DOH was very interested in this proposal and would like to be part of the process.

Dr. Larragoite stated there are joint projects with the New Mexico Medical Review Association (NMMRA), and the New Mexico Prescription Improvement Coalition, looking at discount drug programs and e-prescribing. HPC will partner with NMMRA to redo the physician survey that was last done in 2002. Issues such as identifying how many specialists are in the state, where they are located, where they are practicing each day, if they move from city to city, and how many physicians the state actually needs now, in 2010, and 2015.

Another project is the Social Services Resource Directory. The Directory would be a rolodex of social services, their locations and availability. Using existing resources from various groups, data will be merged in the development of a proof of concept. The plan and needs assessment is in development for the 2007 legislative session.

Staff member Kevin McMullen reported in connection with HM 43, the Social Services Resource Directory task force will be meeting April 14, 2006, to review the draft plan which he has provided to the Commission.

The State of New Mexico is utilizing a new electronic process called Share. Share will tie the budget, human resources, and procurement processes together under one electronic umbrella. Staff member Lori Vigil has been learning this process. Dr. Larragoite added that the Department of Finance and Administration (DFA) was asked to handle smaller agencies a little differently, enabling them to share in the training process and possibly substitute for each other when attending the training classes. He also reminded the Commission of funds available to attend training classes or conferences, and encouraged the Commission to look into them.

Dr. Larragoite reported the financial specialist position has been filled and will start in two weeks. The Chief Information Officer has finally approved the hiring of an IT person, with the paper work beginning on this.

Dr. Larragoite reported he has been in contact with the Veterans Service Administration to set up a meeting to address those issues affecting the health delivery system for returning veterans and other service men and women.

Dr. Hesse pointed out his concern about the closure of Lovelace Hospital on Gibson Avenue and what impact this would have on other hospitals and acre facilities that are

already overwhelmed. He further asked if there was anything the HPC could do. Dr. Nelson expressed concerns he and other physicians in the community share regarding the closure, stating many facilities were already over capacity and lacking in adequate nursing staffs. He questioned if there was a role to be played overseeing the way Ardent practices medicine in this state.

Kevin McMullen reported on the outcome of an oversight bill addressing these concerns and issues. The oversight bill basically asked the provider of services to present information to the secretary and then the secretary was to publish findings of fact on that. The bill did pass and the particular regulations were drafted but never developed.

Dr. Nelson moved for the HPC through Dr. Larragoite to ask the Department of Health to look into this matter regarding the oversight bill and request the findings of fact. Dr. Hesse seconded the motion. Motion passed unanimously.

ECONOMIC CREDENTIALING OF PHYSICIANS

Kevin McMullen, through a slide presentation, explained non-compete contracts and economic credentialing. Non-compete contracts are employment contracts that bind the employee from doing certain things after the termination of the contract. In particular, the contract does not allow ex-employees to compete with or divulge information which could be viewed as a property right or business asset of the employer.

He explained there are four general elements to a non-compete contract. The first element is a dollar value and is associated with signing the contract. The second component is defining the geographic scope limitation which can be city, state, or region. This limitation is now even more complex with tele-medicine which can encompass the world. The third component is the time period after the contract has been terminated and can range from one to five years. The fourth and most important component is the subject matter which basically comes down to a business definition. Once the contract is terminated, the ex-employee cannot go out and practice medicine, or see patients, or be a hospital administrator, etc. This definition is fairly concrete and can encompass consulting, advising another competing entities, management or employment. The more specialized a position held by an employee, or the more technical or higher up in an organization, the more difficult it is for the ex-employee to find similar employment.

28 states have enacted legislation regarding non-compete contracts however New Mexico is not one of them. There are some court cases dealing with these non-compete contracts, in particular Florida. In one particular case the court was concerned about patients traveling outside their immediate geographic area for health care.

Mr. McMullen explained legislation was passed in early 1990 called the Stark Law. This law governs the relationship between hospitals and doctors based upon compensation arrangements. The Stark Law does define the geographic area and hospital service area, so physicians are now using that particular definition in non-compete contracts.

Non-compete contracts are becoming an increasingly popular method for retaining employees as well as insuring ex-employees don't compete. There are pros and cons to the non-compete contract, essentially employers think they are great and employees think they are terrible. He explained the New Mexico Medical Society essentially opposes non-compete contracts but will not go on record opposing any legislation until more studies are done.

Credentialing is the process of evaluating a physician's or other health care professional's education, licensure situation, etc., to make a determination of their current clinical competence and qualification for membership. Economic credentialing uses economic criteria unrelated to quality of care or professional competence. This can be done at the time of the initial application or at renewal time, or when a physician desires to become a participating provider of a health plan. Economic credentialing is governed by state laws, and state licensing and regulations, however there is no state law in New Mexico regarding economic credentialing. He added the AMA supports credentialing over a physician's education, licensure, economic criteria, or experience, not economics.

Dr. Larragoite emphasized the importance of this issue for the HPC. Once staff has researched how many contracts there are, the Commission can then make policy recommendations. He had requesting a physician formerly from Lovelace present his opinion and experience with economic credentialing at this meeting but he was unable to attend and will hopefully reschedule.

ADJOURN

Dr. Larragoite announced the next HPC meeting would be on April 21, 2006. **Dr. Hesse moved to have HPC's May 19, 2006 meeting at the Sagebrush Hotel in Taos. Commissioner Roman seconded the motion; which passed by unanimous voice vote.**

The meeting was adjourned at approximately 12:55 p.m.

Approved by:

Andy R. Lopez, NMHPC Chair

Date

Submitted by:
Michelle Gorman

(DRAFT-----DRAFT-----DRAFT)

(Minutes shall be approved, amended or disapproved at the next meeting where a quorum is present. Minutes shall not become official until approved by the policy-making body.)