

MINUTES OF THE
STATE OF NEW MEXICO
HEALTH POLICY COMMISSION
MEETING

May 18, 2006

CALL TO ORDER

Chair Lopez called a regular meeting of the State of New Mexico Health Policy Commission (HPC) to order on Thursday, May 18, 2006, at approximately 1:30 p.m. at the Quality Inn Conference Room, Taos, New Mexico.

Members Present

Dr. Frank Hesse
Andy R. Lopez
Seferino Montano
Alicia Roman
Dr. Michael Trujillo

Members Absent

Waldo Anton (excused)
Rick Crabtree (excused)
Moises Morales (excused)
Dr. Miles Nelson (excused)

Welcome and Introductions

Chair Lopez welcomed everyone to the meeting.

Staff members Dr. Larragoite, Kooch Jacobus, Catherine Burton, Don Ortega, Irma Montoya, Alicia Leyba, Wes Day, and Kevin McMullen, were present at the meeting. Dr. Larragoite introduced the new IT staff member Samuel Dominguez.

Guests in attendance included Melissa Maez, New Mexico Health Resources, Jerry Harrison, New Mexico Health Resources, Delbert Thomas, Veterans Program of the Health Centers of Northern New Mexico (HCNNM), and Beth Enson, National College of Midwifery.

In response to a question by Chair Lopez, Catherine Burton explained there was an advertisement in the Taos newspaper for the last two weekends notifying the public of the meeting.

Approval of Agenda

Commissioner Trujillo moved for approval of the agenda. Commissioner Roman seconded the motion, which passed by unanimous voice vote.

Approval of Minutes from April 21, 2006 Meeting

Commissioner Morales moved for approval of the April meeting minutes as written. Commissioner Roman seconded the motion, which passed by unanimous voice vote.

DIRECTOR'S REPORT AND BUDGET REVIEW

Budget Report

Dr. Larragoite provided the Commission with the budget narrative and summary. \$140,000 was recently transferred from the Contractual Services category to the Other Cost category. Because the Other Cost category had certain shortfalls, the transfer of money would ensure the expenditure of the total budget by the end of the fiscal year, June 30, 2006. The funds transferred into the Contractual Services category, which is a recurring line item, will be expended for certain IT computer upgrades which have been identified by Samuel Dominguez.

Strategic Plan Update

Dr. Larragoite reported the strategic plan committee and Commissioners have met with Howard Gershon and identified the scope of priorities for the strategic plan. With one more meeting scheduled, a final draft will be available at the HPC' June meeting for the review and finalization.

Collaborative Initiatives

Dr. Larragoite stated HPC will be entering into several different collaborative processes with other state agencies and private entities. In collaboration with the Department of Health (DOH), who has received a federal grant to share data information, the feasibility of an e-reporting project and virtual private network will be explored so data may be collected electronically and dispersed more rapidly.

Dr. Larragoite reported in collaboration with the Department of Insurance (DOI) a managed care report will be produced which will enable the HPC to produce a more timely and accurate report. The report will include outcome data.

In response to a question by Commissioner Hesse, Mr. Kevin McMullen explained the hospital facility survey, done by the Department of Health, as well as hospital financial reports are available to the public but do not show how much profit is being made by the health care companies versus how much money is being put back into companies. In

response to a question by Chair Lopez, Mr. McMullen stated hospitals do have to file financial reports and this data is collected by HPC but because of the way the statute reads, the HPC must aggregate the data which results in the inability to identify any specific facility in relation to its financial information. In order to make this type of information available to the public, a statutory change for this aggregate rule within the HIS Act would have to be enabled.

After a brief discussion, Dr. Hesse moved to direct HPC staff to draft legislative language which would recommend changes to the statutory requirements of hospitals to make financial information public including the financial information from health plans. Commissioner Montano seconded the motion which passed by voice vote.

Dr. Larragoite reported in collaboration with the New Mexico Medical Review Association an e-prescribing project will be created so that prescriptions can be written electronically. A task force has been formed and is currently gathering information on the different barriers involved, reimbursement issues, and quality issues. A more complete report on the project will be presented at the next meeting.

The HPC conducts an annual physician survey. The resulting report provides statewide and regional snapshots of physician supply and capacity. The HPC is exploring collaborating with the New Mexico Medical Review Association, the New Mexico Health Resources, the Board of Medical Examiners, the Greater Albuquerque Medical Society, the New Mexico Medical Society, the Department of Health, and the University of New Mexico to conduct this year's survey. The Commission will be updated as the work continues.

HPC Newsletter/E-Newsletter

Dr. Larragoite reported the HPC quarterly newsletter will be renewed, possibly as an e-letter, and will include information on staff as well as updates on HPC's projects and collaborations.

BEHAVIORAL HEALTH PURCHASING COLLABORATIVES – HPC STATUTORY OVERSIGHT

Dr. Larragoite provided the Commission with copies of NMSA 1978 Sections 9-7-6.4 (Interagency Behavioral Health Purchasing Collaborative) and 9-7-11.2 (New Mexico Health Policy Commission Created, Composition, Duties) both which are portions of the statutes governing HPC. One of the new duties added to HPC was the new paragraph (E)11 to Section 9-7-11.2 which states: “ensure that any behavioral health projects, including those relating to mental health and substance abuse, are conducted in compliance with the requirements of Section 9-7-6.4 NMSA 1978.”

Section 9-7-6.4 creates the Behavioral Health Purchasing Collaborative (BHPC) and Section 9-7-11.2 authorizes the HPC to oversee this collaborative. Dr. Larragoite

requested approval to send a letter to the Collaborative requesting an update presentation at the Commission's June meeting, outlining whether they have met the Section 9-7-6.4 requirements.

Dr. Larragoite explained the (BHPC) brings all agency secretaries and directors into one entity to develop a single payment process for the delivery of mental health services in the state. The contract, awarded to Value Options, was for the management of the delivery of the mental health services and is very complex. Local collaboratives including two Native American collaboratives have also been created and are located in the 14 judicial districts.

Commissioner Roman moved to give Dr. Larragoite the authority to write a letter to the Behavioral Health Purchasing Collaborative requesting a formal update. Commissioner Trujillo seconded the motion, which passed by unanimous voice vote.

BETH ENSON – NATIONAL COLLEGE OF MIDWIFERY

Dr. Larragoite introduced Beth Enson, Dean of Students at The National College of Midwifery located in Taos. Ms. Enson thanked the Commission for their time and presented an overview of the challenges, accomplishments and future of midwifery in New Mexico.

A new agreement between the New Mexico Human Services Department, managed care organizations and New Mexico midwives allow midwives to be paid for delivering babies for Medicaid-eligible women outside of hospitals without holding medical malpractice insurance. Although Medicaid has made this commitment, the HMOs are not yet participating, so only ACS is participating at \$800 per birth. The actual fee in Taos is \$2,400 plus a \$1,000 facility fee for birth center births.

Midwives, like many other providers, saw their malpractice insurance premiums increase by as much as 60% in 2004. Medicaid-eligible women who elect to use a midwife will need to sign forms acknowledging the lack of malpractice insurance, midwives will need to provide documentation indicating they can not procure medical malpractice insurance and that they do not have a history of malpractice claims.

New Mexico's 169 midwives outnumber the state's 154 practicing obstetrician gynecologists and in 15 counties there are no practicing OB-GYNs. Medicaid-eligible women make up approximately 65% of the practices of certified nurse midwives who deliver babies both in homes and hospitals.

Ms. Enson mentioned the formation of a midwifery task force to explore the issues of midwifery malpractice concerns and Dr. Larragoite will be invited to the table to participate in the process and also recommended expanding the midwifery task force to include participants from the medical malpractice task force formed under 2005 Senate Memorial 7.

Ms. Enson stated she was recently contacted by a previous malpractice agent currently in Florida about the possibility of forming a nationwide insurance coop providing malpractice insurance for midwives through hospitals where they practice. Work has begun on collecting names of people who would be interested in the coop. It might be possible to create an insurance agency to offer insurance policies written especially for midwives and covering their needs.

Ms. Enson reported about promoting direct entry midwives' services usage in the state pointing out 30% of babies are born either with CNN's or with direct entry midwives. Direct entry midwives have delivered about ¼ of the babies being born in Taos at both birth centers or at homes. Because of the lack of information, the services of the direct entry midwives are not being utilized. One great outcome of this Medicaid process is that Medicaid will provide all newly enrolling pregnant women with a brochure describing all options available.

The National College of Midwifery, NM midwifery Association and Mothers and Others for Midwifery Services are contemplating organizing a statewide project, perhaps a bi-state project in partnership with Wisconsin, where midwifery was recently legalized, to promote midwifery usage in underserved areas.

This project would consist of three parts:

- 1) Formulate satellite birth centers in all the under served areas so pregnant women do not need to travel so far to give birth. These centers could serve as training facilities for Direct Entry midwifery students from around the state and country, as well as for nurse midwifery students from UNM nursing school who have to compete with OB students for birth experiences.
- 2) Have new and existing birth centers and midwifery practices track health outcomes and financial costs to build a body of data for use in setting public policy.
- 3) Create and implement a public education campaign about natural and out of hospital birth and the qualifications of midwives.

Dr. Larragoite pointed out midwives contribute a great service to New Mexico because of state's large size and substantial rural areas. When staff analyzes health policy, access, quality and costs, midwives and birth delivery roles are always looked at. He added because it is difficult to find an underwriter who wants to write a malpractice policy for 200 midwives, task forces are looking at multi-state malpractice insurance so that each state would contribute to a pool and share the risk.

One of the things that has protected the physicians in the state is the cap on malpractice suits, limiting the amount of punitive damages to \$600,000. Most other states do not have malpractice caps. As a result of this cap, most of the medical malpractice cases can be mitigated without having to go through the court process. New Mexico does not have very many malpractice lawsuits.

Dr. Larragoite provided the Commission with a copy of a newspaper article published in the *Albuquerque Journal* on May 10, 2006 about how malpractice caps limit care written by an attorney. Dr. Larragoite asked the Commission if it recommended a response to the letter, but Chair Lopez pointed out the hospitals and medical associations should be the ones responding to it.

DELBERT ROMERO: VETERAN'S PROGRAM – HEALTH CENTERS OF NORTHERN NEW MEXICO

Chair Lopez introduced Delbert Romero, Director of the Veterans Program at the Health Centers of Northern New Mexico (HCNNM). Mr. Romero thanked the Commission for their time.

Mr. Romero reported the annual contract with the VA, renewed on January 1, 2005, provides that the contractor shall provide community based operation clinics to be based in Española, Las Vegas, and outlying clinics in surrounding areas. In Espanola, HCNNM provides family care services to approximately 12,000 with the cost per patient per month at \$61.26, the cost per patient per year at \$735.12, for a total estimated cost for services to 12,000 for one year at \$882,144.00. In Las Vegas, HCNNM provides family care services to approximately 660 with the cost per patient per month at \$61.26, the cost per patient per year at \$735.12, for a total estimated cost for services for 660 for one year at \$485,179.00

The Albuquerque VA health care system, under the Department of Veteran Affairs, has a need for health care medical resources to be furnished by health centers in New Mexico. The following clinical services are provided to all veterans upon eligibility verification and enrollment: the delivery and management of primary preventative medical care including but not limited to medical diagnosis; treatment; physiology conditions not requiring referral or inpatient services; 14-day supply of pharmaceutical prescriptions; administrative functions to fulfill the level of care and range of services necessary to meet the primary medical needs of enrolled patients. The clinics also provide an annual evaluation but do not offer emergency services or dental services.

The VA has established continuity by using a virtual private network for electronic medical records. The clinics in Española, Embudo and Las Vegas are online with this system and veterans from other states who travel through New Mexico can have access to medical services and prescription refills

Mr. Romero reported providers are to maintain an on-going relationship with the enrolled patient covering a wide range of health problems but will arrange for referral to the VA if specialized services are required. It has been estimated that with 22,036 veterans, there are approximately 3.5 visits per patient per year. Providing preventive care for veterans saves money in the long run and with the clinics located throughout the state, veterans do not have to drive to Albuquerque for their primary care services.

In 2003 the Department of Veterans Affairs in collaboration with the Department of Defense committed to reducing red tape and streamlining access to health care services our veterans who deserve health care services. VA manuals and brochures have been created and will be provided to all veterans seen throughout the state including the outlining clinics. The Seamless Transition Program was launched in 2003, mandating that every VA healthcare facility identifies an Iraqi Point of Contact (POC) and an alternate POC. This person will facilitate the transition from active duty status to veteran status, ensuring they are properly enrolled and have access to the health care services they have earned.

In response to a question asked by Commissioner Trujillo regarding the Native American veteran population, Mr. Romero reported HCNNM is trying to recruit and reach the veterans in small communities, pueblos and reservations. He has conducted multiple radio station interviews to discuss the medical services available for New Mexico Veterans.

Mr. Romero thanked the Commission for the time, stated he was honored to serve our veterans, and provided copies of HCNNM's monthly newsletter.

LFC MEETING UPDATE

Dr. Larragoite reported that on May 17, 2006 the LFC had a meeting in Artesia regarding veterans' health issues. Kooch Jacobus stated staff members Joel Flores, Catherine Burton and Marietta Esquibel, did a great job obtaining information and generating graphs and other visual aides regarding the veterans in New Mexico. Going from the premise of not knowing anything about a veteran and wanting to find out what was happening with veterans in the state, the following information was obtained: as of January 2006, there are 181,519 veterans in the state which is a decrease of 3,735. Even though the veteran population is declining, the need and cost for services are going up.

Catherine Burton presented a few graphs illustrating the decline in the overall veteran population. The decline can be attributed in part to the large number of WWII veterans dying. Even though the veteran population is declining both in New Mexico and nationally, the age of veterans is increasing, therefore health care costs are also increasing.

Ms. Burton reported 20% of US casualties in Iraq are suffering brain injuries, 6% of injured troops requiring amputations, which is twice the rate of any previous war. In 2005 there were 29,117 compensation and pension claims, which is a 38% increase from 2004, with New Mexico ranks fourth in per capita compensation for disabilities. Compared to the national average, New Mexico has higher rates of the 50%-100% degree of disability rating.

The VA defines a veteran as a person who served honorably in the active military, naval, or air service and who was discharged or released there from under conditions other than dishonorable. Veterans are rated by the VA through the VA's disability programs and the more disabled the veteran is, the more services he is provided.

Ms. Jacobus reviewed the report pointing out the statistics of the percentage of veterans receiving compensation according to the disability; how many have been wounded and the qualifications needed for disability compensation which is then tied into the disability pension. Ms. Jacobus stated it was up to each veteran to apply for compensation and must do so within the two years of returning from active duty.

The VA states a veteran is considered to be permanently and totally disabled if he is a nursing patient for long term care because of disability; unemployable due to disability which is reasonably certain to continue through the claimant's life; suffering from a disability adequate to render it impossible for the average person to be gainfully employed; and suffering from a disease or disorder determined by the Office of Veterans Affairs to per State's Exhibit result in permanent and total disability.

Ms. Jacobus stated the 2005 national statistics show \$3 billion being spent for treatment of mental illnesses, including combat related PTSD, with \$5 billion for pharmaceuticals, \$1.2 billion in prosthetics and sensory aids, \$320 million on spinal cord injuries, and \$40 million on female veterans. Each year over \$60 million has been spent on blind rehabilitation services, \$160 million on emergency care, \$3.5 million on geriatrics and extended long-term care, \$400 million on home and community based care, \$500 million on Gulf War programs, and more than \$1.5 billion on treatment costs and programs to assist homeless veterans.

The VA has regions called VISN's Veterans Integrated Service Networks, with 22 different regions in United States. VISN 18 encompasses a total of 352,000 square miles and includes Arizona, New Mexico, and the western portion of Texas as well as bordering counties in Colorado, Kansas and Oklahoma. There are 914,000 vets residing within VISN 18.

Many veterans returning from Iraq are suffering from Post Traumatic Stress Disorder (PTSD) which is often referred to as the hidden wound. The more frequent and more intense involvement in combat operations, the greater the risk for developing chronic PTSD and associated mental health problems. PTSD has far reaching effects, affecting veterans, their families, friends and communities.

In questionnaires completed after deployment, 94% of soldiers in Iraq reported receiving small-arms fire, 86% reported knowing someone who was seriously injured or killed, 77% reported shooting or directing fire at the enemy, 68% reported seeing dead or seriously injured Americans, 51% reported handling or uncovering human remains, 48% reported being responsible for the death of an enemy combatant, and 28% reported being responsible of the death of a noncombatant

Commissioner Hesse moved to give Dr. Larragoite the authority to write a letter supporting Cabinet Secretary Garcia efforts and recommendations in facilitating health care quality, access and availability for New Mexico Veterans. Commissioner Trujillo seconded the motion, which passed by unanimous voice vote.

Commissioner Lopez concluded the meeting and extended the invitation for public comment. Dr. Jerry Harrison of New Mexico Health Resources alerted the Commission of the dilemma facing New Mexico due to the major Health Resources and Services Administration (HRSA) funding cuts. As an example, the UNM Family Medicine Department expects to lose approximately \$810,000.00 in funding. As a state with pronounced existing medical professional shortages, the impact of the HRSA cuts on New Mexico will be significant. Commissioner Hesse requested that there be a formal and thorough presentation regarding the HRSA funding cuts so that the Commission can become familiar with exactly what this means and make educated policy recommendations.

Commissioner Trujillo requested we hold a Commission meeting in Albuquerque and invite Dr. Cheryl Williams to report the impact(s) the new UNM Cancer Center will have on New Mexicans and possibly tour the facility, designed by the National Cancer Institute. He also requested at a future Health Policy Commission meeting that the Director of the VA Hospital address the council.

Dr. Hesse would like to have an update on the progress of the new trauma center on the agenda. Legislation for the trauma center passed and essentially he would like to know what is happening, how the 6 million dollar appropriation was utilized and whether the new trauma center will be able to solve New Mexico's trauma issues?

ADJOURN

Commissioner Lopez moved to adjourn. Commissioner Roman seconded the motion; which passed by unanimous voice vote. The meeting adjourned at 4:45 p.m.

Approved by:

Andy R. Lopez, NMHPC Chair

Date

Submitted by:
Michelle Gorman