

**MINUTES OF THE**  
**STATE OF NEW MEXICO**  
**HEALTH POLICY COMMISSION**  
**MEETING**

**November 22, 2005**

**CALL TO ORDER**

Chair Lopez called a regular meeting of the State of New Mexico Health Policy Commission (HPC) to order on Tuesday, November 22, 2005, at approximately 9:08 a.m. at the Health Policy Commission Office, 2055 South Pacheco, Santa Fe, New Mexico.

**Members Present**

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

**Welcome and Introductions**

Chair Lopez welcomed everyone to the meeting.

Staff members Dr. Larragoite, Joel Flores, Wes Day, Kevin McMullen and Elisha Leyba were present at the meeting.

Guests in attendance were Jack Mack, ALTSD, Howard Gershon, New Heights Group, Mark Duran, Chairman, New Mexico Telehealth Commission, and Dr. Jerry Harrison, Executive Director, New Mexico Health Resources.

### **Approval of Agenda**

**Commissioner Montano moved for approval of the agenda. Commissioner Crabtree seconded the motion, which passed by unanimous voice vote.**

### **Approval of Minutes from October 14, 2005 Meeting**

**Commissioner Morales moved for approval of the August meeting minutes as written. Dr. Trujillo seconded the motion. Commissioner Crabtree pointed out two changes on page 9, paragraph 5, line 3, changing the word “or” to “for,” and adding the word “or” after the word “equipment.” The motion passed by unanimous voice vote.**

Joel Flores reminded the Commissioners to complete and return the reimbursement forms.

### **DIRECTOR’S REPORT**

Dr. Larragoite reported that as of October 31, 2005 everything is on track. The annual audit, which HPC passed with flying colors, has been completed. Once the final documents are received from the State Auditor’s Office, they will go to DFA and then back to the Commissioners for approval.

Dr. Larragoite stated the annual budget proposal, which was the same as last year, was reviewed by LFC, and for the first time, both the DFA and LFC analysts were in concurrence.

Dr. Larragoite reported all the vacancies have been filled with the exception of the administrative assistant which will not be filled until after the legislative session. He added that Monica Maestas, who has an accounting degree from NMSU, has been interviewed but has not yet accepted the Special Assistant for Projects position.

### **Policy Planning-Priority Rating**

Dr. Larragoite provided the Commission with the Policy and Planning Team’s Priority Rating Instrument. The Policy and Planning Team as well as all cabinet secretaries from state government departments are members of the Behavioral Health Purchasing Collaborative.

The Behavioral Health Planning Council (BHPC), which is the governing body overseeing all behavioral health activity in the state, was previously the State Mental Health Planning Council, and has been split into local purchasing collaboratives based on the 14 judicial districts. Each collaborative has to meet specific criteria and must be composed of members to include providers, community members, school community members, etc. A Native American Collaborative has also been created.

Dr. Larragoite reported through a grant, the McArthur foundation have been given the opportunity to oversee the entire process which is very unique and the only one in the country. With problems of duplicate payments in the past, the new payment system is working well and to date there has been a \$450,000 savings in duplicate payments. Another problem in the past was that not all providers were part of the system, but have now signed contracts with the state.

Dr. Larragoite stated that the McArthur Foundation pointed out that there has been a lack of communication between some of the local collaboratives and the BHPC. The BHPC will be meeting on December 15, 2005 to discuss and plan ways to improve communication.

Dr. Larragoite reported that the BHPC will also review the first draft of the second RFP which is being presented as phase two. The whole collaborative process is broken up into three phases. The first phase objective is to set up the system, not letting anyone who is receiving behavioral health services fall through the cracks. Phase two will involve increasing and expanding the program and phase three being the actual finale in 2008.

Dr. Larragoite reported that the BHPC has provided the four policy areas that include services, population, risk factors and systems and infrastructure and from the factors listed for each of these four policy areas the HPC is to rank order the priority for each of the four sections using 1 as the highest priority and 5 as the fifth highest. Commissioner Montano pointed out one problem was the lack of reimbursement and Dr. Larragoite stated if that was not on any of the four lists, it could be added.

## **GUEST PRESENTATION**

### **New Mexico Telehealth Commission Update**

Mr. Mark Duran thanked the Commission for allowing him to report on the status of the New Mexico Telehealth Commission (NMTC). He stated that the NMTC, being created in the last legislature, has been organized since July 2005 and is interested in working with the HPC to implement the tele-health system in the state.

Mr. Duran explained that \$25 million has been invested by the state for a digital microwave network and that this system may be utilized by the NMTC. The governor has set parameters for the NMHTC to focus on rural areas, children and early intervention and prevention, as well as address border health and establish public and private partnerships.

Mr. Duran stated the telehealth system through technology will deliver health care, particularly to underserved areas in the state. The NMTC will create a model and then request funding from the legislature for financing programmatic and capital outlay.

Mr. Duran explained that the NMTC is in the process of developing working relationships with policy makers in the health area, specifically the cabinet secretaries,

but has been surprised by the rejection from some policy makers who feel that the NMTC does not, or will not, have any regulation or policy authority.

Mr. Duran stated that the NMTC, a natural counterpart with the HPC in this effort, will develop the tele-health part of the system, but will defer to the HPC for assistance. Dr. Larragoite pointed out there may be an issue with tele-health duplication and suggested that perhaps the NMTC could support legislation giving the HPC more of an authority role than an advisory role. The HPC could then control the direction of some of the duplicate expenditures.

In response to a question by Commissioner Montano, Mr. Duran explained that telehealth would offer any health care provider electronic access to medical records and that many studies have shown this to be beneficial, especially in behavioral health services. He added that the quality of service through tele-health is very important especially at the point of diagnosis and that protocols would be created that have to be followed during the actual encounters between patient and doctor.

Commissioner Montano suggested that the NMTHC first develop a clear vision of how to share medical information by possibly working with other states that have already developed a tele-health system. This would not only prevent reinventing the wheel, but would also be a financial savings.

Chair Lopez stated that the New Mexico Primary Care Association (NMPCA) as well as other health centers in the state are already in a position to move to a telehealth system. He also pointed out two issues that need to be addressed are integration and reimbursement. Mr. Duran explained that the NMTHC has begun working on an inventory and mapping of the current tele-health systems already in place. The inventory will identify where there is broadband, school based centers with technology, and higher education institutions that have distance education technology.

Commissioner Crabtree suggested from the policy standpoint, the HPC could develop standards relating to data communications, data management, and data network security. In connection with social aspects, reimbursement and medical credentialing would have to be addressed, and a special infrastructure would have to be created. He added that the NMTHC should identify those tele-health systems already in place and point out their success.

Mr. Duran agreed that showing the successful systems as quick wins would show viability, and several quick wins would result in a major policy initiative.

Chair Lopez asked if the NMTHC had any link to the national commission developing standards for health inform technology. Mr. Duran explained that the state regional health information organization, a new organization, has a subcommittee addressing standards and the NMTHC will be integrating with that subcommittee to make sure there is no duplication.

Mr. Duran reported that the NMTHC has drafted two legislative proposals. The first proposal would be for the development of infrastructure standards for the purchasing of quality equipment, maintaining the equipment, and providing training on the equipment. The second proposal would have the NMTHC be responsible for overseeing all IT spending through a certification process. This process would make sure projects receiving legislative appropriation would be conforming to the technical standards; have sustainability factors built into the program, and measurable outcomes.

Chair Lopez thanked Mr. Duran for his presentation and stated that the HPC looked forward to further collaboration with the NMTHC.

### **NEW HEIGHTS GROUP – Howard J. Gershon**

Dr. Larragoite explained that the HPC had contracted with Howard Gershon of New Heights Group to develop a strategic plan for the HPC. Mr. Gershon stated he has been a strategic planning consultant for over 30 years, working with different organizations all over the country. He moved to Santa Fe a couple of years ago from Washington, D.C. and has consulted with hospitals, health systems and other commissions.

Mr. Gershon stated that every state agency or commission is now required to have a plan with measurable outcomes. The HPC's current strategic plan, which was developed 4 or 5 years ago by a different commission and different staff members, is now outdated. To begin the process he will be meeting with the Commission, staff members, and other organizations and agencies which the HPC interacts with, to gather ideas, interests, and concerns, and will keep the Commission updated on the progress.

Mr. Gershon explained that the strategic plan will help the HPC become focused and will determine how best to use resources. The plan will also lay out a road map toward future options, identifying influential issues in health care and government, and determine a plan of action.

Mr. Gershon stated that the approach he uses, called the balance-scorecard concept, was developed by a couple of professors at the Harvard Business School and will identify HPC's responsibilities, funding options, community relationships, and operational processes.

Mr. Gershon stated that the first phase of the process, which will take six to eight weeks, is the gathering of information about the HPC; the second phase will be the organizing of all the information gathered, with the final phase being the management action plan. The final management action plan will identify who is responsible and accountable and what is needed to accomplish everything. He added that the schedule for the process is short but he hopes to have a draft of the plan by March.

Mr. Gershon explained that the HPC's public relations, which have not been tracked, would be addressed during the management action plan phase by reviewing and revising newsletters, public service announcements and the HPC's website.

## **SENATE MEMORIAL 7**

Kevin McMullan reported that SM7, sponsored by Senator Campos, was a memorial requesting the New Mexico HPC and the Insurance Division of the Public Regulation Commission convene a task force of representatives from statewide health care practitioner groups on health care practitioner liability insurance. The members of the task force would include the New Mexico Medical Society, the American College of Nurse/Midwives, and the New Mexico Nurse Anesthetist Association, the New Mexico Midwives Association, the New Mexico Dental Association, the New Mexico Hospital & Health Systems Association, the New Mexico Health Care Association, the New Mexico Trial Lawyers Association & Foundation, the Office of the Governor as well as others.

Mr. McMullan explained that the task force was to examine the malpractice insurance dilemma and its impact on providers and patients, and examine the statutes, constitutional provisions, regulations and court decisions governing medical malpractice. It was to submit its findings and recommendations, including legislative initiatives for malpractice insurance reform for health care providers, by November 1, 2005 to the LH&HSC, LFC, DOH, and the Office of the Governor.

Mr. McMullan reported that the task force discussed creating a separate medical malpractice act for those providers outside of the medical malpractice act, particularly midwives. The task force also discussed the creation of a joint underwriting association (JUA) for groups that could not obtain insurance. There was no consensus to the creation of a separate medical malpractice act or to the creation of a joint underwriting association. Although the task force had actually drafted a document for the idea of a joint underwriting association, it could not agree on the cap amount.

Mr. McMullan explained that the task force in reviewing the current medical malpractice act looked at what had happened in the past, the current situation, what was going on nationally, and looked at the new Federal Patient Safety Act. New Mexico has been identified as one of six states in the nation, by the AMA as having relatively good environment for malpractice.

In response to a question by Dr. Hesse, Mr. McMullan explained that the JUA draft offered insurance coverage for both claims made and occurrence.

Mr. McMullan stated that the eight findings identified by the task force were: (1) continue with the current Medical Malpractice Act (MMA); (2) create separate MMA with it's own patient compensation fund for providers outside the current act; (3) create a JUA; (4) create incentives for a multi-state risk group; (5) offer coverage under the management of GSD; (6) create a no fault situation for providers; (7) increase reimbursement; and (8) the restriction of service practice.

Dr. Larragoite pointed out that a separate risk pool outside the MMA, would possible cause physicians to jump from one pool to the other, whichever was financially advantageous, and would drain the other pool which would drive up the cost of insurance.

He added that if a separate JUA was created, special provisions could be developed preventing changing insurances. Mr. McMullan added that the Department of Insurance and Risk Management was concerned about any competition with private insurance companies.

**Commissioner Crabtree moved for the HPC to endorse the concept of a JUA to include all providers and to have the Department of Insurance come up with a model to support conditional competition in the state. Dr. Nelson, after amending the motion to have the JUA include a cap or similar equivalent to the current MMA, seconded the motion. The motion passed by unanimous voice vote.**

**Dr. Nelson moved for HPC to not endorse any arbitrary restrictions to the current scope of practices, to provide quality rural care access, and to change an occurrence scope of practices by providers. Commissioner Roman seconded the motion which passed by unanimous voice vote.**

### **House Memorial 43**

Mr. McMullan stated that HM43, Hospital Quality and Pricing Disclosure Study, sponsored by Representative Payne, asks hospitals to work with state agencies to develop a way to inform the public about hospital charges, their quality and annual increases in hospital charges. He added that a well-supported memorial identical to this memorial, also introduced by Representative Payne, asks the HPC and other interested parties to develop a way of informing the public about changes in hospital charges and other information which is not confidential.

Mr. McMullan explained that the task force researched Wisconsin's legislation which was passed in 2004, and requires all hospitals to report price and percentage increases by publishing notices in newspapers. This reporting creates an incentive to improve the quality of health care service and that consumers can shop around and compare health care costs.

Dr. Larragoite provided the Commission with a list of the UNM Health Sciences Center Summit Blue Ribbon Task Force. He explained that the task force will be meeting December 5, 2005 to discuss different funding issues and funding mechanisms and invited any interested Commissioner to attend.

Dr. Larragoite provided the Commission with the agency/department legislation transmittal report which was sent to the Governor and identifies the Governor's Oral Health Council's funding recommendations as well as an explanation for each appropriation.

Dr. Larragoite provided the Commission with a copy of Memphis Business Journal's report on non-compete rulings. When employed by certain hospitals, physicians sign contracts which include non-compete clauses. If the physician leaves the hospital's employment, he is forbidden from competing in some cases within the entire state and in

some cases within a 50-mile radius. Many courts and organizations have found this to be unconstitutional.

Dr. Larragoite requested the scheduling of future HPC's meetings and after a brief discussion the following dates were set: December 16, 2005, January 20, 2006, February 17, 2006, March 17, 2006, April 21, 2006, May 19, 2006, June 16, 2006, July 21, 2006, August 18, 2006, September 15, 2006, October 20, 2006, November 17, 2006, and December 15, 2006.

Dr. Larragoite reported that the HPC was recently assigned a project called the social services resource directory. He explained that in the 2005 legislative session, a special appropriation for \$500,000, called a C-3 appropriation, was given to CYF to develop a plan for a social services directory identifying what social services were available in the state. Because the \$500,000 has not been encumbered or used, the HPC was asked to chair a special task force to get the IT and Programmatic inventory process started. It is planned to have most of the money encumbered before the next legislative session so that additional funding can be requested.

**ADJOURN**

**Upon motion by Commissioner Roman and seconded by Commissioner Morales, the meeting was adjourned at approximately 12:30 p.m.**

Approved by:

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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.)**