



House Finance and Appropriation Committee

David Scrase, MD, Secretary Designate

February 1, 2019

# Human Services Department Includes...

Program	New Mexicans Served	Executive Recommendation General Fund	% of GF Budget	Executive Recommendation GF + Fed	% of Total Budget
Medicaid (managed + FFS)	832,316*	\$ 996,415.0	89.0%	\$ 5,928,550.2	83.3%
SNAP	454,388*	\$ -	0.0%	\$ 660,000.0	9.3%
TANF	28,317*	\$ 87.1	0.0%	\$ 139,518.8	2.0%
CSED	236,583**	\$ 7,736.8	0.7%	\$ 31,254.6	0.4%
Other Programs	58,469 <sup>+</sup>	\$ 115,880.9	10.3%	\$ 362,000.6	5.1%
<b>TOTAL</b>		\$ 1,120,119.8	100.0%	\$ 7,121,324.2	100.0%

\$ in thousands

\*November 2018 HSD Monthly Statistical Report

\*\* 1/1/2019 CSED, includes 101,921 children

<sup>+</sup>includes GA, Cash Assistance, LIHEAP, Education Works, Refugee Cash Assistance, State Supplement for Residential Care



# Supplemental Nutrition Assistance Program (formerly Food Stamps): a recent example of NM vulnerability to a Federal shutdown

- HSD FY20 Budget Request \$660,000.0
  - Fully supported by Executive and LFC
- Supports approximately 225,000 households monthly
  - Program has been relatively flat over the last 24 months
- This program is affected by the Federal Government partial shutdown
- HSD issued February benefits early, based on guidance from Food Nutrition Services (FNS)
  - Benefits were required to be issued no later than January 20<sup>th</sup> in order to be covered by the last continuing resolution
- March benefits have been authorized
- This program is at risk for April benefits if the partial Government shutdown continues

# HSD FY20 Executive Recommendation vs. FY20 LFC Recommendation Differences At-A-Glance

HSD Program (\$ in thousands)	FY20 Exec. Rec. GF	FY20 LFC Rec. GF	Difference
Behavioral Health	37,836.7	37,573.0	<b>263.7</b>
Child Support Enforcement	7,736.8	7,736.8	-
ISD - Admin	32,163.5	32,163.5	-
ISD - Program	14,132.0	14,032.0	100.0
MAD - Admin	15,704.0	15,611.8	92.2
MAD - Program	884,792.0	863,398.1	<b>21,393.9</b>
MAD Behavioral Health	111,623.0	110,153.0	<b>1,470.0</b>
Program Support - ITD	14,039.4	14,039.4	-
Program Support - Other	2,092.4	2,092.4	-

# HSD FY20 Executive Recommendation vs. FY20 LFC Recommendation Differences At-A-Glance

Temporary Assistance for Needy Families - (TANF)							
Program (\$ in thousands)	FY20 Exec. Rec.			FY20 LFC Rec.			Difference
	GF	FF	Total	GF	FF	Total	
General Fund in HSD for TANF	87.1	-	87.1	87.1	-	87.1	-
Unspent Balances from Prior periods	-	41,091.1	41,091.1	-	41,091.1	41,091.1	-
TANF Block Grant	-	109,919.9	109,919.9	-	109,919.9	109,919.9	-
TANF Contingency	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	87.1	151,011.0	151,098.1			151,098.1	-
Admin Total	-	11,507.7	11,507.7	-	11,507.7	11,507.7	-
Cash Assistance	87.1	51,045.5	51,132.6	87.1	48,576.6	48,663.7	2,468.9
Support Services	-	19,651.0	19,651.0	-	19,651.0	19,651.0	-
Other Agencies	-	57,227.5	57,227.5	-	60,227.5	60,227.5	(3,000.0)
<b>TOTAL</b>	87.1	139,431.7	139,518.8	87.1	139,962.8	140,049.9	<b>(531.1)</b>
<b>Calculated Carryover</b>	-	11,579.3		-	11,048.2		531.1

- Admin Includes: Income Support Administration and Program Support Administration
- Cash Assistance Includes: Cash Assistance, Clothing Allowance, Diversion Payments, Wage Subsidy and State Funded Legal Aliens
- Support Services Includes: NM Works Program, Transportation, Career Links, High School Equivalency Program, Vocational Training Program and Employment Related Costs
- Other Agencies Includes: CYFD Pre-K, CYFD Child Care, CYFD Home Visiting, CYFD Support Housing and PED Pre-K

# Medicaid: General Fund Need

*LFC and Executive GF Recommendation are \$23.2 million apart.*

Budget Item Included in Exec. Rec. but Possibly not in Leg. Rec.	Direct Care Costs	Administrative Costs	General Fund (\$000)	Total Computable (\$000)
Enrollment (10,000 additional Medicaid members)	+		\$4,800.00	\$58,500.00
Assessments	+	+	\$4,752.21	\$23,433.00
Enhancing Provider Network	+		\$6,556.79	\$32,331.30
MCO Stabilization	+		\$3,088.56	\$15,229.59
Support for Uninsured	+	+	\$4,000.00	\$4,000.00
Total			\$23,197.56	\$133,493.89

HSD may also be responsible for the Health Insurance Provider's Fee (\$18.2 million in GF and \$91 million total computable)

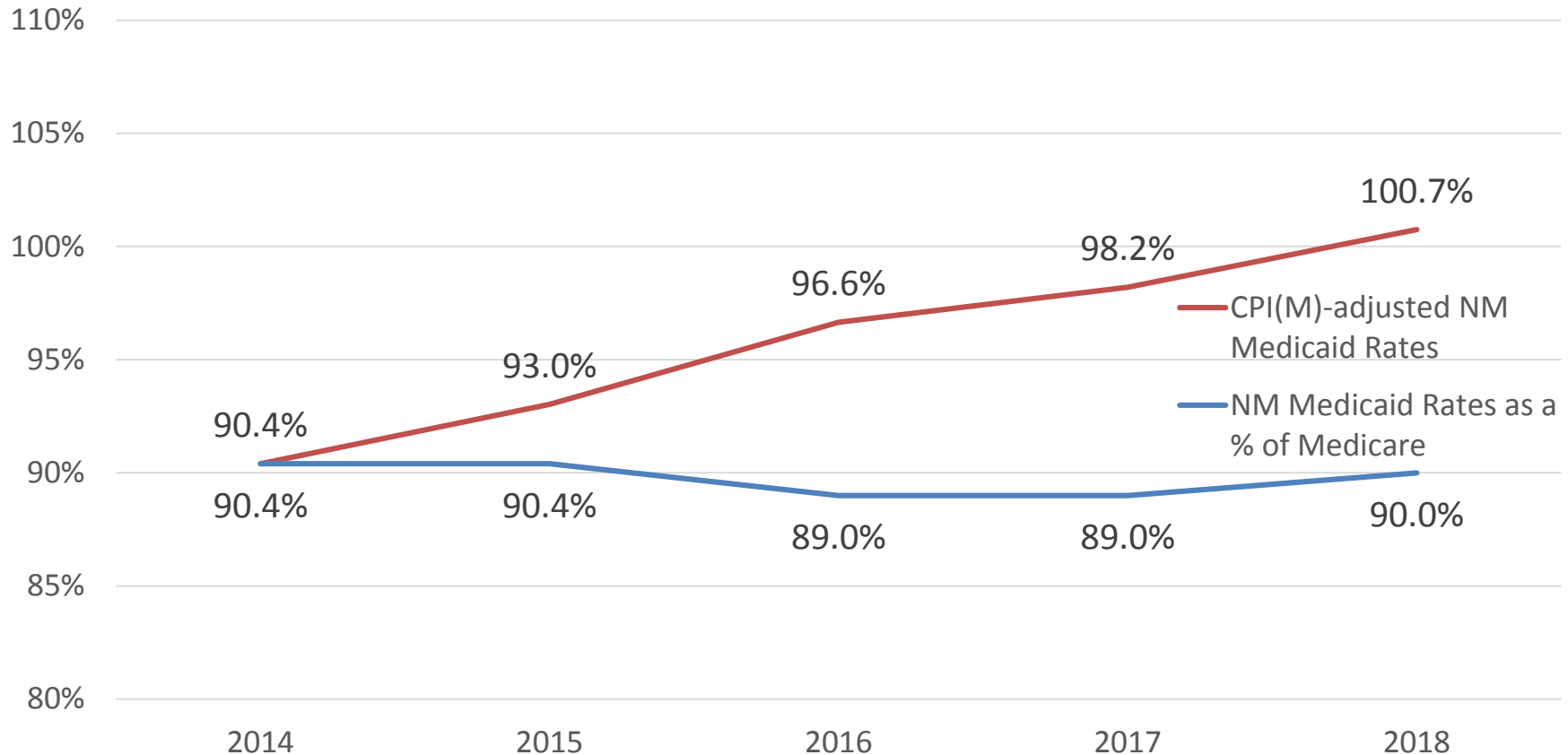
# Uninsured Population in New Mexico, 2017

Source: Current Population Survey (CPS), US Census Bureau, for data year 2017, published September 2018.

Population Segment	Number	% of NM Uninsured	FPL Multiple in 2019 Dollars
0-to-18 (all incomes)	23,100	12.4%	
<b>19-to-64 (all incomes)</b>	<b>158,900</b>	<b>85.4%</b>	
65+ (all incomes)	4,100	2.2%	
<b>Total uninsured population (all ages, all incomes) = 9.1% of total NM population</b>	<b>186,100</b>	<b>100.0%</b>	
19-to-64 years old and 139-200% FPL	77,100	41.4%	\$24,290
<b>19-to-64 years old and 100-138% FPL</b>	<b>48,024</b>	<b>25.8%</b>	<b>\$16,760</b>
<b>19-to-64 years old and under 100% FPL</b>	<b>34,800</b>	<b>18.7%</b>	<b>\$12,125</b>

# Maintaining Provider Network: Historic NM Medicaid Provider Rates vs. CPI (Medical) Inflated Rates

Sources: <https://www.kff.org/medicaid/state-indicator/medicaid-to-medicare-fee-index/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>,  
<https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm>



- A 1 percentage point increase in NM Medicaid provider payment rates requires \$10 million in General Fund dollars
- It would cost \$100 million in General Fund dollars to move from our current payment rate of 90% of Medicare to 100% of Medicare



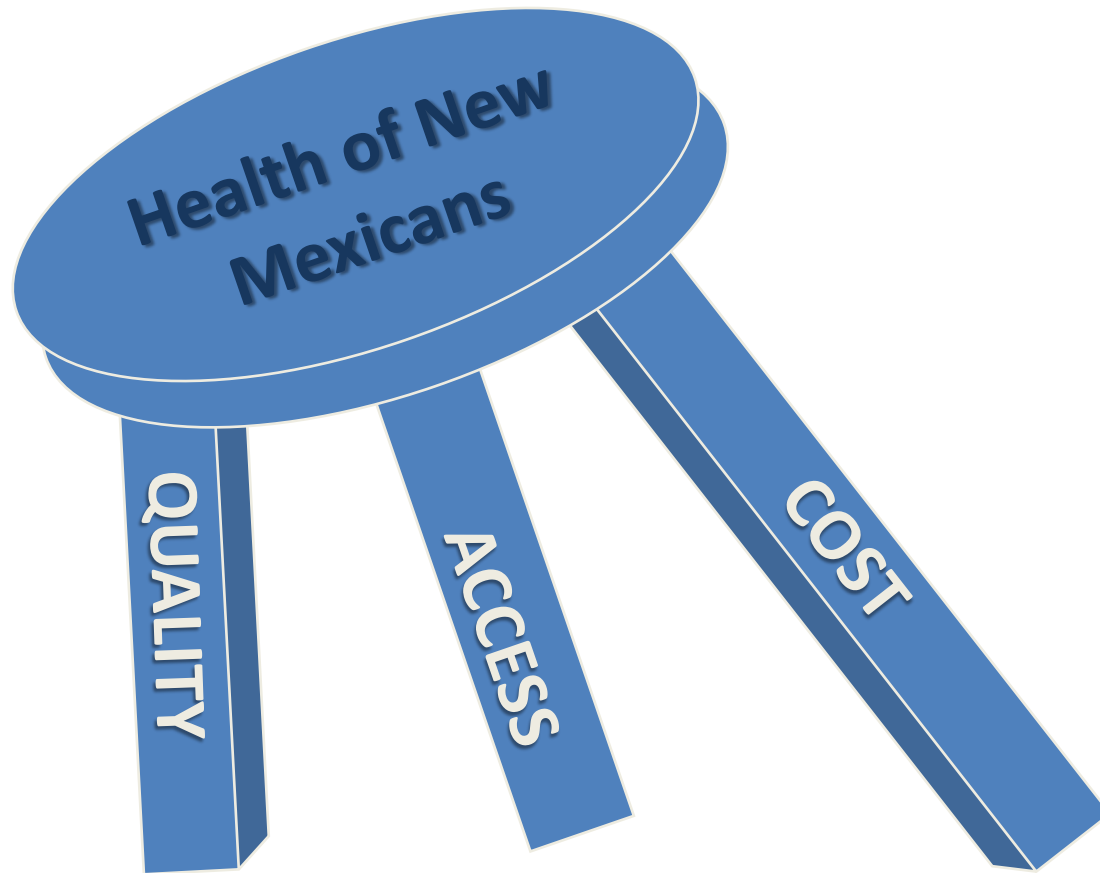
# A High Ratio of Public to Private Insurance Puts Pressure on our NM Network

	State	Public	Commercial	Ratio of P:C
1	New Mexico	50%	41%	1.22
2	West Virginia	47%	47%	1.00
3	Arkansas	45%	48%	0.94
4	Vermont	45%	51%	0.88
5	Louisiana	43%	50%	0.86
46	South Dakota	30%	61%	0.49
47	Wyoming	29%	59%	0.49
48	Nebraska	28%	64%	0.44
49	North Dakota	26%	67%	0.39
50	Utah	22%	69%	0.32

# Quality, Access and Cost are Interdependent Variables



# Unintended Consequences of Tight Cost Control?



# Provider Network Enhancement

- Convene a Provider Advisory Group to develop priorities and strategies for network expansion
- Create a Medicaid provider network analysis for the State of NM using existing DOH, UNM, and other data
  - Identify and prioritize gaps in network
  - Make selective and strategic investment to broaden access
    - Behavioral Health
    - Primary Care
    - Rural healthcare (30% of Medicaid)
    - Others as identified by network analysis
- Expand and invest in telehealth models (ProjectECHO, UNM Access, other ACCESS programs)
- Develop and implement alternate payment methodologies to support workforce development
- Execute strategic provider rate increases and new payment methodologies
- Expand value based purchasing to improve outcomes

# Together, We Can Continue to Improve the Health of New Mexicans

*We have an excellent opportunity to enroll more New Mexicans in Medicaid. Enhance our provider network, and create economic growth*

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