

STATE OF NEW MEXICO
HUMAN SERVICES DEPARTMENT
Medical Assistance Division

Cost Containment Initiatives Included in the Expenditure Projection

	Program Area	FY11 Impact (Fed + GF). Based on implementation dates	FY11 Average Impact (GF only)	FY12 Full Year (Fed + GF)	FY12 Average Full Year (GF only)
Rounded to the nearest thousand dollars					
1	OPPS: Use Medicare outpatient hospital rates in FFS & MCO (22% of billed charges) (no SCI)	\$ 72,250	\$ 15,980	\$ 142,880	\$ 42,864
2	Implement rate reduction for SCI - July 2010	\$ 14,560	\$ 3,031	\$ 14,006	\$ 4,156
3	Implement additional rate reduction for SCI - November 2010 (plus OPPS)	\$ 18,553	\$ 4,015	\$ 27,278	\$ 8,093
4	UNM SCI IGT state share	\$ -	\$ 12,000	\$ -	\$ -
5	SCI: Childless adults & Parents: Eliminate add-on employees to enrolled groups.	\$ 558	\$ 121	\$ 743	\$ 222
6	Pharmacy Mgt. plan: Implement "generics first" PDL, "script limits", & dev. specific policies for high-cost drug items.	\$ 5,870	\$ 1,249	\$ 10,062	\$ 2,141
7	Pharmacy - Eliminate coverage of OTC drugs for adults	\$ 3,354	\$ 714	\$ 5,750	\$ 1,224
8	Require NDC on medical claims in order to collect drug rebates on physician-administered drugs.	\$ 419	\$ 89	\$ 503	\$ 107
9	Implement a pharmacy dispensing fee reduction from \$3.65 to \$2.50. Also not pay >340B pricing.	\$ 138	\$ 29	\$ 138	\$ 29
10	Implement claiming federal drug rebates on MCO pharmacy drug items as allowed by changes in HCR legislation, effective 3/23/10.	\$ 5,513	\$ 1,173	\$ 5,513	\$ 1,173
11	Eliminate NMRx Administrative ASO fee	\$ 926	\$ 463	\$ 1,012	\$ 506
13	FY12: Incentivize the use of Medicare Special Needs Plans (SNPs).	\$ -	\$ -	\$ 5,025	\$ 1,547
14	Reimplement school payment of state share.	\$ -	\$ 3,000	\$ -	\$ 3,338
15	FY12: BH CFFS - calculate reducing ASO fee from \$5 to \$2.50	\$ -	\$ -	\$ 2,500	\$ 1,250
16	For psych hospitals & inpatient psych units for BH MCO, negotiated rates rather than % of billed charges when providers are not cost-settled for psych hospital outpatient MCO. Implement prospective rates for outpatient hospital reimbursement that are based on cost to charge ratios.	\$ 576	\$ 123	\$ 691	\$ 210
17	Adult dental criteria - full mouth or panoramic x-ray changed from one every 3 years to one every 5 years.	\$ 251	\$ 54	\$ 251	\$ 75
18	Close PAK and PAM to new enrollment	\$ -	\$ -	\$ 1,178	\$ 1,178
19	FY12: Eliminate non-medically related goods/services/ supports in <i>Mi Via</i>	\$ -	\$ -	\$ 1,128	\$ 345
20	Retro cost-settle border area hospitals back to 2005.	\$ 8,040	\$ 1,697	\$ -	\$ -
21	Retro cost-settle in-state hospitals for drug items back to 2005.	\$ 18,593	\$ 3,924	\$ -	\$ -
22	Cost-settle border area and out-of-state hospitals annually.	\$ 251	\$ 53	\$ 251	\$ 73
23	Developmental Disabilities Waiver Program Cost Containment	\$ 21,040	\$ 5,384	\$ 37,589	\$ 11,487
	TOTAL	\$ 170,890	\$ 53,100	\$ 256,499	\$ 80,018

No Longer Part of Cost Containment					
1	CoLTS Initial rate change not including OPPS and PCO	\$ 6,252	\$ 1,344	\$ 6,252	\$ 1,925
2	FY 11: Incentivize the use of Medicare Special Needs Plans (SNPs).	\$ 3,769	\$ 810	\$ -	\$ -
3	SCI Parents - Reduce UNM rate to \$250	\$ 5,042	\$ 1,091	\$ 6,432	\$ 1,918
4	SCI Childless- Reduce UNM rate to \$250	\$ 15,671	\$ 3,392	\$ 15,585	\$ 4,648
5	Close PAK and PAM to new enrollment	\$ 835	\$ 835	\$ -	\$ -
6	PAK: Reduce Subsidy Assistance from 25% to 15%	\$ 3	\$ 3	\$ 3	\$ 3
7	Implement changes to 340B pricing for hospitals not to pay > 340B prices paid by the hospital.	\$ 6,219	\$ 1,312	\$ 8,291	\$ 2,417
8	Eliminate non-medically related goods/services/ supports in <i>Mi Via</i>	\$ 1,967	\$ 439	\$ 2,164	\$ 661
9	Cap PCO weekly hours at 25/week (current growth)	\$ 3,125	\$ 672	\$ 12,500	\$ 3,848
10	FY11: BH CFFS - calculate reducing ASO fee from \$5 to \$2.50	\$ 1,250	\$ 625	\$ -	\$ -
	TOTAL	\$ 44,132	\$ 10,523	\$ 51,229	\$ 15,421

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