

Supplement 16-01 Notice of the Proposed Payment Reductions

Commenters: 18 self-declared providers, 3 self-declared advocacy groups, 4 self-declared recipients, and 19 public (non-declared)

ACCESS

The most common concern expressed was that some providers will cease seeing Medicaid recipients or will end their participation in the Medicaid program. This was expressed in various ways such as: (1) physicians graduating from the state medical school will not remain in New Mexico; (2) established physicians will leave the state; (3) safety nets clinics will not be able to absorb recipients when other providers cease participating or move for higher paying opportunities; (4) primary care services will be shifted into emergency departments because of a lack of providers to establish medical homes; (5) and the shortage of health care providers in New Mexico will increase.

AFFECTS OF REDUCED ACCESS ON RECIPIENTS

Concerns about how reduced access would impact recipients was expressed in various ways: (1) less access to health care will make it difficult for recipients to keep jobs; (2) there will be fewer appointments available for new recipients and that there will be multiple emergency department and inpatient stays while waiting; (3) and women seeking birth control will be limited due to shortage of primary care practitioners who can prescribe, leading to increase of unplanned pregnancies, which impact a woman's education and employment opportunities.

PROVIDER COSTS

There were comments on how the level of payment may affect providers' practices, including: (1) overhead costs keep growing, such as fingerprinting, TB testing, and training; (2) the Department is pushing reimbursement reduction costs onto caregivers' salaries; (3) pediatricians will have to reduce a number of free services they offer such as nutritionist services, extended and weekend hours, chronic disease management and behavioral health assessments; (4) providers are barely meeting revenue neutrality - changes would place providers in the red causing employee pay reductions and staff layoffs; (5) unskilled practitioners would leave work for higher wages in private sector; (6) reductions disproportionately affect providers who primarily see Medicaid recipients; (7) and a reduction would widen the gap between commercial plans and Medicaid reimbursements commercial plans.

CONSIDER ALTERNATIVES

Some comments asked the Department to consider alternatives to reducing payment rates: (1) support general tax increases; (2) support tax increases for alcohol, tobacco and legalized marijuana; (3) increase Medicaid enrollment to increase federal matching funds; (4) reduce Medicaid eligibility; (5) cut care coordination services; (6) reduce MCO contract budgets; (7) implement small co-pay for adults; (8) re-channel funds from war weapons to Medicaid and Medicare; (9) allow personal care services agencies to subcontract personal care attendants to

relieve tax burdens, lower Workmen's Compensation, and lower professional liability insurance rates; (10) study Colorado's Care Amendment 16; (11) conduct a study to analyze the impact on access to care for recipients utilizing MCO current reporting of access prior to instituting cuts; and (12) add specified dental codes to fabricate all porcelain crowns at a lower cost.

LACK OF TRANSPARENCY

There were comments that there was a lack of transparency in the preparation of the state plan amendment and that information, including on the decision making process, was not sufficient. It was also stated that the Department failed to include important stakeholders in the process and that there was insufficient information on the expected outcomes of the reductions.

STATE ECONOMIC CONCERNS

Comments regarding the effect of the payment reductions on the state economy included: (1) to not fund healthcare destroys people and the state's economy; (2) providing New Mexicans with quality healthcare creates opportunities to decrease unemployment and poverty and supports Medicaid recipients in keeping steady employment and creates healthcare jobs.

State Response:

The Department did consider the comments and a number of changes were made as can be seen in the final notice (informational supplement) to providers.

The Department does study New Mexico Medicaid rates in comparison to surrounding states in the same region. The Department also studies the payment rates in comparison to Medicare.

These studies, including the use of managed care contracted networks, lead the Department to believe that the reductions are reasonable and will not lead to a significant change in the number of providers or access to those providers in the Medicaid program.

The Department is committed to studying and detecting changes to recipient access to providers.