

**MINUTES
of the
THIRD MEETING
of the
HEALTH COVERAGE FOR NEW MEXICANS COMMITTEE**

**September 27, 2006
State Capitol, Room 322
Santa Fe**

The third meeting of the Health Coverage for New Mexicans Committee (HCNM) was called to order by Lieutenant Governor Diane Denish, chair, on Thursday, September 27, 2006, at 3:05 p.m. in Room 322 of the State Capitol in Santa Fe.

Present

Lt. Governor Diane Denish, Chair
Sec. Pamela Hyde, Vice Chair
Charlie Alfero
Mike Batte
Carter Bundy
Sen. Dede Feldman
Sen. Mary Jane M. Garcia
Robin Gould
Craig Keyes
Rep. James Roger Madalena
Rep. Brian K. Moore
Dennis S. Pena
April Redbird
Charlotte Roybal
David Scrase (proxy)
Paul Sowards
James Tryon
Duane Trythall
Alfredo Vigil

Absent

Steve Altmiller
Sen. Carroll H. Leavell
Michelle Melendez
Rep. Danice Picraux

Advisory Members

Rep. John A. Heaton
Chuck Milligan
Michelle Welby

Sen. Timothy Z. Jennings

Staff

Raul E. Burciaga, Legislative Council Service (LCS)
Ruby Ann M. Esquibel, Human Services Department (HSD)
Lindsay Bilovesky, LCS
Tim Crawford, LCS

Guests

The guest list is in the meeting file.

Welcoming Remarks

Lieutenant Governor Denish welcomed committee members, reviewed the proposed meeting agenda and reminded members to stay on task due to a full schedule. She noted that approximately 40 people signed up to give public input and since there is a high volume of people, each speaker will be limited to three minutes. The next meeting will be held on October 19, 2006 from 9:00 a.m. to 4:00 p.m. in Room 317. Lieutenant Governor Denish stated the Request for Proposal (RFP) will be released on October 3 and for those who would like to obtain a copy of the RFP, they should give their contact information to Mr. Burciaga with the LCS.

A motion was made to approve the September 7, 2006 minutes. The motion was seconded and the minutes were adopted.

New Mexico Health Care Financing Study

Mr. Burciaga reviewed the study that resulted from HB 955 from the 2003 legislative session, which addressed public and private health care and the economic impact of each. Mr. Burciaga summarized the study by explaining its purpose and highlighting important statistics, the percentage of publicly and privately funded health care, strengths and weaknesses of the study, economic activity in New Mexico, employee compensation and state expenditures. He noted the study should serve as baseline data to help state policymakers make an educated decision concerning health care reform. Mr. Burciaga also described a preliminary report conducted by New Mexico State University that is still being evaluated. He stated the official results will be published as soon as the report is final.

Committee members discussed the following issues: per capita spending by state, administrative costs, state employee health care, prescription drug costs, indigent care, educational validation, behavioral health, secondary public funding and direct care costs.

Criteria and Vendor/Coverage Model Review Processes

Secretary of Human Services Hyde reviewed the process to be followed by the committee for the recommendations to be made as to which models should be cost out. She stated the committee will go through each item one at a time, and vote whether or not any members have concerns or questions about the item. If a member does have a concern, discussion will occur following the vote of all the items.

After the committee voted, items 1, 2, 5, 6, 8, 9, 11 and 13 were revisited and discussed more thoroughly, resulting in removal of item 1 and slight changes to items 2, 5, 6, 9 and 13. Additional criteria was also discussed, resulting in the inclusion of methods of coverage limitations based on policy considerations and identification of whether any state or federal law may change.

Secretary Hyde asked members to review the "Possible Model Types" and "Components to Be Analyzed for Each Model" handouts and send any missing freestanding models or components to Ms. Esquibel.

Public Comment

The meeting was opened to the public and those present were reminded that each speaker was allotted three minutes each for comment. Public comment included the following:

- a request to phase-in changes, not just minimal changes, and evidence-based decision-making is critical;
- there is an irrational system and there is a need for a universal system with everyone included with freedom of choice;
- the nation is missing the basics of insurance involving distribution and fragmented markets;
- health care reform must strengthen and build on the existing system;
- there is need for equity and justice;
- the system is broken, health coverage must be provided for all New Mexicans, health care is not privilege, it is a right, and there should not be incremental reform;
- medical students would like evidence-based medicine;
- preventative medicine is most important;
- health care portability is necessary;
- there is a need for systemic change that should include mental health coverage;
- there is a need for inclusion for individuals with chemical sensitivities;
- coverage needs to include chronic health and mental health problems;
- there is currently a funding pyramid where very little coverage goes to the case;
- support for the health security plan was voiced;
- there is a need for affordable, accessible health care for all New Mexicans and all should work together to ensure rights are given to all New Mexicans;
- there is a need for a single-payer system to end the cost-shifting approach; and do not resuscitate should be opt-in, not opt-out, in order to lower extraordinary end-of-life attempts;
- leave Medicare intact and, although Medicare Part D has problems, it is assisting seniors and still allowing choice;
- keep in mind compliance with federal and state statutes; TennCare was given as an example of a failure;
- encourage reform in a fiscally responsible manner, consider use of federally matching dollars and encourage expenditures of money to provide better communication;
- cautionary concern was given — people want choice and flexibility to make decisions, safety nets developed in the state have been good, not perfect, and there is a need to recognize that some people may choose to spend money on other things than health care;
- there has been too much incremental reform with short-term savings but unrealized gains; an unbiased study could lead to an innovative plan; and people would like continuous, affordable universal coverage that compares with the current system;

- health care for all New Mexicans is supported; universal coverage is practical; 28 industrial nations use single-payer health care; elimination of health care administration reduces costs; payments come from a central fund administered at the state level coming from taxation; universal coverage is not socialized medicine but a private practice fee-for-service basis; and there can be freedom of choice while reducing costs;
- there is support for moving toward universal health care; it is important to be inclusive because many individuals use traditional or culturally diverse services; and care should be comprehensive to promote physical, emotional and mental health;
- there is encouragement of the public hospital in Bernalillo County to cover everyone; there is a need for single-payer coverage to ensure universal access; and it is important to look at linguistic and epidemiological issues that frame the current market-based system;
- a multi-payer system rations health care, is the most expensive financing health care system and is not accountable and not transparent to the public;
- concern was raised with the lack of regulation for naturopathic physicians since anyone can use the term in New Mexico, which creates a problem of vulnerability to New Mexicans;
- the delivery system has become increasingly fragmented and expensive: the challenge is to find a strategy to balance the expectation of high-quality health care; people have been relying on a market-driven system but a majority of Americans would like universal health care without greater complexity;
- health care is deeply personal no matter what the income level and some rely on prayer; the committee was asked to consider two main ways people can be affected: people can be limited or denied access to care, or people who choose nontraditional care can be penalized for this choice;
- this is a complex problem that continues to grow despite all efforts; the City of Santa Fe is looking at various options to reduce costs; and health insurance reform is long overdue in this country;
- the committee members were reminded of the effect that auto-disenrollment from Medicaid has had on children of the state; peer review articles that state the effects that discontinuous health coverage has had on children were shared; and there is an association between childhood vaccinations and breaks in coverage;
- there is support for universal health care for all as a single-payer system; there is a need to deal with problems in a holistic and systemic manner; when there is cultural and economic degradation there will be illness; and alternative practitioners have had thousands of years of evidence-based medicine;
- public hospitals face difficult times as cost of care increases and need grows, resulting in the number of uninsured further straining resources; there ultimately needs to be federal and state support in partnerships;
- current state HIV and AIDS numbers are suspect, the actual numbers are important and there is a need for resources to do epidemiology and utilization — resources flow with the numbers;

- the New Mexico Nurse Association is concerned with the health care disaster system and incremental changes in health care are needed to ensure coverage;
- one respondent is happy with her health insurance and would like to see more public health nurses;
- there should be universal coverage to all incomes, rural and urban areas and a system with good quality; there needs to be physician protocol and data information;
- health care should not be for-profit;
- there is support for the New Mexico Health Security Plan, which would have mental health parity and choice of provider and would be run as a cooperative financed through existing money;
- it was clarified that the two versions of the New Mexico Health Choices proposal are not that different and the document comparing the two versions is not entirely accurate; it was noted the second version allows employers to continue providing group coverage and it is recommended to consider all models with varying versions, to keep it simple at this phase and that some criteria may be difficult to cost;
- basic health care is a right not a privilege; the current system has failed miserably; there was an example of duplication of expensive machinery in Albuquerque hospitals with competitive systems; and it is time to stop talking and support universal coverage and a single-payer system;
- a personal story shared by an individual who had hit the catastrophic valley of amount spent on care and will now have to pay over \$2,000 to get out of the catastrophic valley; many seniors are also dealing with this issue; the committee was requested to make sure there is no cap;
- a consumer stated it is meaningful to hear people say they are not in favor of for-profit medicine and favor a universal coverage, single-payer system that gives quality health care for alternative and emotional treatment with equal drugs for everyone and transparency;
- a small business owner spoke about health care coverage for employees and the potential loss of coverage due to insurer withdrawal resulting from some employees choosing not to take coverage but to be covered under their spouses' coverage;
- \$100,000 a year is insufficient for coverage; and there is concern with recommendations that people be referred to another physician within the community since people should be able to refer in state or out of state for care;
- there was a reminder of the freedom that could be gained from having health care at all times, and how individuals can accept occupations not based on benefits, can start their own businesses and change careers and can take time off to help out in family crises;
- the health security plan would cover everyone and allow for freedom of choice of provider over state lines, encourage the right kind of competition, provide comprehensive coverage and require consumer input and public accountability;
- it is up to the state to address this issue since the federal government does not; the health security plan is not perfect but the committee should study it closely;

- there is support for the New Mexico Health Security Plan, but there should be caution to remain aware of language used in order not to exclude people; a large part of homelessness is due to medical emergencies;
- telehealth and coverage of transportation costs are very important to rural health care in New Mexico; there is a need for a holistic approach; behavioral, mental, dental and medical care are all equal; and a plan should incorporate all of these;
- the committee was reminded that the American Medical Association was originally opposed to social security; the system is not just bent but broken; there cannot be a system where physicians are working 35-hour shifts in the emergency room; and there is not much choice if people cannot get access to insurance and fall through the cracks;
- community programs have had 70 to 90 percent increases in health insurance, which requires limiting benefit packages and higher co-pays that contribute to staff turnover that affects quality; and all have the right to quality services; and
- an individual spoke who experienced hitting her limit with premiums for health insurance with minimal coverage; she said it was not fair that at a certain age she becomes locked into a plan; when looking at cost structure, health insurance was the easiest money she made in her life.

Public testimony was concluded and the meeting was adjourned by Lieutenant Governor Denish at 8:10 p.m.