

MINUTES OF THE
STATE OF NEW MEXICO
HEALTH POLICY COMMISSION
MEETING

January 14, 2005

CALL TO ORDER

Chairman Andy Lopez called a regular meeting of the State of New Mexico Health Policy Commission (HPC) to order on Friday, January 14, 2005, at approximately 9:14 a.m. at the Health Policy Commission Office, 2055 South Pacheco, Santa Fe, New Mexico.

Members Present

Andy R. Lopez, Chair
Waldo Anton, Vice-chair
Dr. Frank Hesse
Seferino Montano
Moises Morales
Dr. Miles Nelson
Alicia Roman

Members Absent

Gloria Nieto (Excused)

Welcome and Introduction

Staff members Dr. Patricio Larragoite, Karen Meador, Cindra Stahl, Peggy Schummers and Lori Quintana were present at the meeting.

Guests in attendance were Mr. Stuart Hidalgo and Ms. Marcia Tarasenko, New Mexico Medical Review Association; Ms. Mary Feldblum, Health Security for New Mexicans Campaign; Ms. Marla Shoats, representing Blue Cross/Blue Shield of New Mexico and Mr. Dan Weak, representing the New Mexico Hospital and Health Systems Association.

Approval of Agenda

Commissioner Anton moved for approval of the Agenda. Commissioner Montano seconded the motion, which passed by unanimous voice vote.

Approval of Minutes from November 19, 2004 Meeting

Commissioner Anton moved for approval of the November minutes as written. Commissioner Nelson seconded the motion, which passed by unanimous voice vote.

DIRECTOR'S REPORT

Budget Update

In reviewing the budget update, Dr. Larragoite pointed out that the correct date on the summary should be December 31, 2004 instead of October 31, 2004 and that the abbreviation "O/S" stands for "out-of-state".

In response to a question from Dr. Nelson, Peggy Schummers explained that the data processing equipment purchased was a color printer. Dr. Larragoite added that under the Governor's Executive Order for IT consolidation, all IT expenditures, including the filling of vacant IT positions, were to go through a special process which will be explained during the personnel report.

In response to a question by Commissioner Anton, Dr. Larragoite explained that the budget request did not request an increase because every agency was asked to submit a flat budget for FY 2005 as well as FY 2006. Before the Governor's Executive Order was released, staff had worked to trim non-essential expenditures in the budget.

Ms. Karen Meador added that the Legislative Health and Human Services Committee was going to recommend a specific appropriation to the HPC for a health care expenditures study, but that money would be outside the HPC's normal budget.

Personnel Update

Dr. Larragoite reported that five positions were currently vacant: the Computer System Analyst A position, the Computer Analyst O position, the Network Administrator position, the Non-IT Economist position, and the Management Analyst O position. The Computer System Analyst A position will be advertised in-house. The rest of the positions will be advertised within state government. The Non-IT Economist is a critical position during the legislature and Dr. Larragoite would like to update the job description to include more technical financial experience.

In response to a question by Chair Lopez, Ms. Lori Quintana explained that the letter included in the title of positions identify one of three groups classifying state employees; "B" meaning basic, "O" meaning operational, and "A" meaning advanced.

Dr. Larragoite reported that the agency is anxious to fill the Network Administration position. At this time, there is no one on staff with the expertise to complete the reports required by the IT Commission and IT Council, as well as clean-ups on the servers and

necessary system maintenance. Until the position is filled, an IT expert could be contracted on a weekly basis. Any IT contract under \$15,000 does not require approval by the IT Council. The other possibility would be to enter into a contract and wait for the approval process.

Statute Review

Dr. Larragoite, via a power point presentation, reviewed the Health Policy Commission Act, Section 9-7-11.2, NMSA 2005. The New Mexico HPC is administratively attached to the Department of Finance, and consists of eight members appointed by the Governor with the advice and consent of the senate to reflect the ethnic, economic, geographic and professional diversity of the state. No member shall have a pecuniary or fiduciary interest in the health services industry for three years preceding his appointment.

Dr. Larragoite stated that the HPC, meeting not less than quarterly and at the call of the chairman, shall establish taskforces as needed to make recommendations to the commission on various health issues. Task force members may include individuals who have expertise or a pecuniary or fiduciary interest in health care industry. Voting members of the taskforce may be reimbursed mileage, expenses and so forth.

Dr. Larragoite reported that the language regarding the HPC developing a plan for, and monitoring the implementation of, the state's health policy is very vague, and added that the Department of Health, as well as public and private entities, should be involved in the process.

Dr. Larragoite stated that the HPC is to obtain and evaluate information from a broad spectrum of New Mexico's society, to develop and monitor the implementation of the state's health policy and to obtain and evaluate information relating to factors that affect the availability and accessibility of health services and health care personnel in the public and private sectors. The latter has been done through the Geographic Access Data System (GADS).

Dr. Larragoite reported that the HPC is to prepare and publish an annual report describing the progress in addressing the state's health policy and planning issues. The report shall include a work plan of goals and objectives for addressing the state's health policy and planning issues in the forthcoming year. He added that an annual report on the agency has been done, but the report does not fully meet the requirements of the statute. In response to a question by Dr. Nelson, Dr. Larragoite stated that the fact that the agency has not met this requirement does not endanger the agency with the legislature. He further explained that with budget cuts, it would be hard to meet all the requirements of the HPC statute.

Dr. Larragoite reported that the HPC is to distribute the annual report to the Governor, appropriate state agencies and interim legislative committees and interested parties. He stated again that, because of budget cuts this has not been done in the past.

Dr. Larragoite continued that the HPC is to establish a process to prioritize recommendations on program development, resource allocation and proposed legislation. He added that this has been done, and is done regularly. This will be discussed during the legislative preview.

Dr. Larragoite reported that the HPC is to provide information and analysis on health issues. The agency does meet the terms of this statute as staff continuously provide this information by responding to requests from both public and private entities, as well as state agencies.

Dr. Larragoite reported that the HPC is to serve as a catalyst and synthesizer of health policy in the public and private sectors and added that from the commissioner's standpoint, they may want to become more proactive in that realm.

Dr. Larragoite reported that the HPC is to respond to requests by the executive and legislative branches of government. This has also been done with the HPC receiving requests from the legislature, the Governor's office, and public and private entities. The agency provides technical assistance for a variety of initiatives and organizations.

Dr. Larragoite pointed out that one more provision to the statute was added which charged the HPC with the responsibility of ensuring that any behavioral health projects, including those in mental health and substance abuse, are conducted in compliance with the requirements in Section 9-7-6.4 NMSA.

Dr. Larragoite reported that in fulfilling its statutory requirements, the HPC has worked on or prepared the following reports, studies, and brochures: the Hospital Inpatient Discharge Data, consumer health information report, the hospital guide data reporting requirements for the geographic data access system and the consolidated hospital financial reports.

Chair Lopez pointed out the lack of any information on oral health and Dr. Larragoite agreed there was a gap. Dr. Larragoite added that through a grant obtained by DOH, the Oral Health Data Surveillance System was created; DOH has applied for a renewal to the grant. Dr. Larragoite reported that the Governor's Oral Health Council (GOHC) also identified the gap in a report which was submitted to the Governor on December 31, 2004. Once the final report has been published, it will be provided to the Commission. The GOHC first met in October and the next meeting is scheduled for February 1, 2005.

LEGISLATIVE PREVIEW

Electronic Medical Records (Commissioner Montano)

Commissioner Montano stated that at a recent Commission meeting electronic health records had been discussed. He reported that La Casa Health Center had recently implemented both an electronic health record system and an oral health records system.

The network is based out of Miami, Florida, with six organizations included in the network, one of which is Chair Lopez' organization.

Commission Montano added that Ms. Marcia Tarasenko and Mr. Stuart Hidalgo, from the New Mexico Medical Review Association (NMMRA), had read the article on La Casa's implementation in the CIO magazine and had requested to present to the Commission.

Mr. Hidalgo provided the Commission with a list of unofficial New Mexico stakeholders, the New Mexico Medical Review Association's project overview, a copy of the magazine Health Care Perspectives Winter 2004 edition and a copy of the Effective Summary dated 7/21/04. One of the authors of the Effective Summary, Dr. David Brailer, National Coordinator for Health Information Technology, is going on a nationwide mission to implement electronic health care records, with the goal of improving health care for everyone in the United States. Dr. Brailer is also charged with coming up with different organizations to implement these health information exchanges.

In response to a question by Chair Lopez, Mr. Hidalgo explained that Dr. Brailer had ten years to implement the plan which is just being started in the state. A meeting is scheduled with all the stakeholders within the next few months to begin discussions. Some national experts on electronic health will be presenting at the meeting as well as local experts on information exchange. In response to a question by Dr. Hesse, Ms. Tarasenko commented that HIPAA requirements would be adhered to for the protection of the patient's rights and issues such as this one would be discussed and hammered out at the stakeholder's meeting.

Mr. Hidalgo reported that they wanted to share the information that was gathered from traveling around New Mexico, as well as the United States, attending presentations by experts, with the HPC. He feels that the HPC could play a very vital role in the project.

Mr. Hidalgo stated that the NMMRA, a non-profit quality improvement organization, is in collaboration with the Department of Health and Human Services and the Centers for Medicare and Medicaid Services. NMMRA is not only trying to improve the quality of health care, but also improve health care costs, making it easier for all patients to obtain and understand their health care records.

Ms. Tarasenko explained that the NMMRA has also been assigned the task of assisting physicians with the installation of electronic health records, providing consulting services and looking at how to connect each office with the next. The NMMRA is working on an approved vendor list which will be provided to the stakeholders. No preference will be given nor will NMMRA endorse any vendor. They provide services to small physician offices of one to eight physicians, rather than large groups such as Lovelace, UNM, or Presbyterian. The National Certification and Information Technology group meets in Washington and they certify certain technologies and certain vendors.

Ms. Tarasenko reported that the dental field would eventually be added to the stakeholders and pointed out that once every health care facility in the United States is on board, patients records can be obtained from anywhere. This enables patients' information, allergies, care received, etc. to be accessed by the provider, instead of the patient answering the same questions every time they go to a doctor.

Mr. Hidalgo reported that they are charged with implementing health information exchange to rural and urban areas. UNM and Lovelace Clinical Foundation have grants to follow La Casa's example of electronic health care. NMMRA is to gather each of those health information exchanges into one central repository, called a regional health information organization, where all of the data can be shared throughout the state or nation.

In response to a question by Dr. Nelson, Ms. Tarasenko stated that they envision a unified system where all medical records will be stored and accessed. She emphasized that the main purpose is to have health data entered only once. She added that standards would have to be created and followed.

Cindra Stahl asked that the Indian Health Service and the VA be considered as stakeholders and Mr. Hidalgo reported that they have met with the CIO for the VA, but have not communicated with the Indian Health Service.

Chair Lopez pointed out that one of the selling points could be the prevention of errors in prescriptions and diagnosis. Commissioner Montano thinks that in the future, reimbursements could be based on outcomes, and how outcomes are measured.

In response to a question by Chair Lopez, Mr. Hidalgo explained that the reason tele-health is moving so slowly, in comparison to financial institutions with ATMs, is because of the protection and privacy of patients records. He added that it has taken health care a long to come to this point, and that with the exciting change of times, HPC could play a vital role in the process, New Mexico is in a unique position and could be one of the leaders in the nation. Commissioner Montano suggested that through a resolution HPC could urge the Governor to appoint a commission or create an office on health information and technology.

Dr. Larragoite then introduced Ms. Feldblum.

The Health Security for New Mexicans Campaign

Ms. Feldblum, Executive Director, Health Security for New Mexicans Campaign, provided the Commission with a copy of the New Mexico Health Security Act, and reported that the coalition has grown from 28 to almost 90 organizations from all over the state. Ms. Feldblum cited a reason for growth as the crisis with the health care system in the state and dire future predictions.

Ms. Feldblum provided the Campaign's mission statement; the Campaign is a broad coalition of organizations and individuals working for health care coverage for all New Mexicans. The Campaign seeks to establish a publicly accountable health care system in New Mexico that provides everyone with comprehensive medical and mental health services and medications, encourages preventive care, brings new resources to underserved areas, controls costs, and allows everyone the freedom to choose their own health care provider. They envision a health care system in which providers can focus on patient care, and to which everyone contributes with premiums based on ability to pay and not according to health status, occupation, race, age or gender.

Ms. Feldman reported that while all New Mexicans would be guaranteed access to comprehensive, quality health care coverage regardless of income or health and employment status, due to federal laws, exceptions to the coverage would include federal retirees, active and retired military, and TRICARE recipients, all of whom would continue to be covered under federal plans. The tribes, as sovereign nations, may choose to participate, as well as employers who offer health plans under ERISA.

Ms. Feldblum stated the health plan would guarantee the choice of provider, even across state lines. The HP guarantees that coverage will be at least as comprehensive as the services offered state employees, while preserving the private delivery system and providing strong protection for retirees. Services offered would include adult wellness, acupuncture, chiropractic treatment, and mental health benefit, family planning, oral surgery.

Ms. Feldblum reported that the health plan would be administered by an independent, non-governmental Commission with 15 geographically representative commissioners, ten of whom must represent consumer and employer interests, with five representing provider interests. The publicly accountable Commission will be subject to the Open Meetings Act and its budget will be available for public scrutiny. Patient/provider privacy will be protected.

Ms. Feldblum reported that once the Act is approved, it would take three years before the health plan goes into operation. The first year will be the year of financing when LFC, with public input, will determine the cost of the plan, individual premiums, employer contributions, payment collection process, Workers Compensation and automobile insurance savings. Legislative approval of the financing package is required in the first year, before proceeding with development. The second and third years would focus on development of plan, again with public input. The plan will go into operation in the third year.

Ms. Feldblum commented that if the financing does not work in the first year, the Legislature must act on the funding or the health plan will not go forward. If the financing does work in the first year, they will then move into the next phase which is to set up a Commission to get input from physicians, hospitals and consumers about how the health plan would work. Quite a few details will have to be worked out at that point before the next phase can begin.

In response to a question by Dr. Nelson, Ms. Feldblum explained that there are two types of private insurance carriers; those that are providers of service as well as insurers and the private insurance industry. The providers of service/insurers would continue as they are, but the private insurance industry could offer a supplemental insurance plan. The health plan adds a very complex administrative component that the coalition is asking to be simplified since New Mexico is a small state.

Ms. Feldblum commented that in the interim before the health plan is put into effect, issues such as the protection of Medicaid, the maximization of federal health care dollars, the county indigent funds and hospitals that are having financial difficulty still have to be addressed and dealt with now.

Ms. Feldblum pointed out that the United States spends far more per capita than European countries such as France and Germany who offer a full and universal health care plan and include long-term care. The more businesses spend on health care the less they have to invest in their business. Since New Mexico is a small business state, we're hearing from small businesses that they would love to provide health care but everything being proposed is not going to stop rising health care costs.

Ms. Feldblum asked the Commission to seriously consider this piece of legislation and offered to return to update the Commission.

Commissioner Montano stated the health plan was worthy of some acknowledgement but didn't see this happening in the near future and suggested that the Commission (and citizens) need to contribute to a comprehensive solution that makes sense by looking at the development of a task force to look at health care in New Mexico and identifying what has been triggering the high cost of health care, how to come up with recommendations to reduce that cost and also to make health care available for all the uninsured in New Mexico. It will be a big task and they will have to look at all the counties and what the problems are in each county and each city.

Dr. Nelson agreed with Commissioner Montano adding that caution is necessary; otherwise New Mexico could end up with something much worse than what it has now. The system is broken and a radical change is needed. If society is going to agree with any plan, health care needs to be viewed as a right, not a privilege for those few who can afford it. However, he disagreed that three years is a "go slow" approach, it seems very rapid. A more cautious approach might be a ten-year plan, something that makes more sense in the long run.

Ms. Feldblum suggested the Commission visit the website of the National Coalition on Health Care and review the materials offered. She added that although a specific solution is not offered, they have consistently said that voluntary systems do not work and have come up with three components to be solved which include the uninsured, the issue of rising costs, and the quality of care.

In response to a question from Commissioner Morales, Ms. Feldblum stated that there are 14,000 uninsured people in the state and over 400,000 on Medicaid.

In response to a question by Chair Lopez, Ms. Feldblum stated that while the health plan has not recently been shared or discussed with the Legislative Health and Human Services committee, several legislators have been informed of the health plan.

Legislative Health and Human Services Committees Proposals

Deputy Director Karen Meador provided the Commission with the Legislative Health and Human Services 2005 list of legislative proposals and reviewed the bills that would have an impact on the HPC. She also discussed bills would come from the Governor's Invest New Mexico project, from the Insure New Mexico! Council and from the Governor's Building a Healthy New Mexico package.

Ms. Meador reported that at a recent Governor's press conference, the Governor's legislative packets were distributed. The packet included such items as what is being done about Medicaid, a series of measures dealing with children and health, another that had to do with elderly and disabled people, and a whole series of measures that address insurance. She added that there would be another press conference the following day, where the Governor would be announcing some measures about teen suicide.

Ms. Meador stated that Medicaid is included in the Governor's health care package. The HPC should be aware that there are states all over the country that are cutting eligibility radically, but New Mexico is not doing that yet and it is not being proposed for next year. In fact, the Governor is proposing increasing eligibility by 16%. At a recent press conference the Governor described this proposal as cost containment and compassion. Agencies are trying to find every method possible for cost containment that does not affect eligibility.

Ms. Meador explained that the Governor's Invest New Mexico package included health infrastructure with everything from water, roads and clean energy. The health infrastructure focuses primarily on schools and tele-health. There are proposals to have some rural psychiatry linkups. Another proposal to put tele-health into 36 new Children Youth and Families Department offices so that children who are not living at home, who may be in state facilities or in some other sort of care arrangements, can communicate with their families. They can also communicate together with the service provider like a behavioral health practitioner.

Ms. Meador reported that another proposal under the Governor's Invest New Mexico project package was to add more money into the primary care capital fund. This technical change in legislation will specifically enable schools and primary care providers who provide services to school based health centers, to qualify and access the capital loan fund. Ms. Meador stated the HPC will be responsible for helping the primary care health piece of legislation through the session.

Another responsibility of the HPC is the tele-health commission. There was a meeting recently of stakeholders addressing what the commission should do and who would be on it. It was agreed that the issues with electronic data need to be worked out, and they need to be linked to better patient outcomes. There will be a tele-health commission piece of legislation establishing it, sponsored by Representative Picraux and Senator Komadina. Information about this legislation will be sent to the Commissioners.

In response to a question by Dr. Hesse, Ms. Meador explained, that as a member from the Medical Advisory Committee, no cost containment measures have been agreed upon in the compensation package for physicians in hospitals on Medicaid. She added that there are no specific proposals to decrease compensation.

Ms. Meador reported in addition to the Governor's Health care agenda, the Insure New Mexico! proposals and the Invest New Mexico proposals come from the Legislative Health and Human Services Committee. One proposal that is going to be interesting is the Therapeutic Exchange, which would allow pharmacists to substitute therapeutic alternatives in addition to generics. This would allow a pharmacist to substitute medication in class and would be less expensive.

Dr. Nelson commented that there are wide therapeutic variations within the same class of medication; Ms. Meador replied that when staff is analyzing the bill, they can contact him and explain in further detail. Dr. Larragoite added that the Health Information Advisory Committee also raised concerns with this proposal.

Ms. Meador reported the Minority Health Office proposal arises from the work they did with the DOH regarding culturally appropriate services. This establishes an office of minority health within the Department of Health that is responsible for eliminating disease, disability and death rates among ethnic, racial and cultural populations.

Ms. Meador reported that the premium breaks for wellness programs memorial will be sponsored by Senator Feldman. The memorial will explore the benefits and feasibility of requiring insurance companies to offer discounted premiums for enrollees who participate in approved wellness or disease management programs.

In response to a question by Commissioner Montano, Ms. Meador stated that there are federal standards regarding the cultural competency of providers and staff. She added that there could be a minority health department within the Department of Health which would disseminate culturally appropriate practices more widely. Dr. Larragoite added that the standards of cultural competency need to be defined.

Ms. Meador reported the Health Manpower proposal comes from New Mexico Health Resources and enable us to look and define "health manpower shortage" to include specialties and includes tax breaks for recipients of NM Health Service Corps stipends.

In response to a question by Chair Lopez, Dr. Larragoite stated that Health Policy Commission composition bill came out of the Governor's office and he will be meeting with the Legislative Council Service to determine who will sponsor this proposal.

Dr. Larragoite reported that the Health Data proposal will direct the HPC to biennially collect and maintain data to enable population-based monitoring and trending of the access, utilization, quality and cost of health care in New Mexico. The Legislative Interim Committee wants this to be an on-going project to report and collect biennially

In response to a question by Commissioner Montano, Ms. Meador stated in some cases the state already has quality standards, in some cases there are federal standards coming out of the Institute of Medicine or CMS.

Ms. Meador reported with regard to the Standardized Co-pays proposal, the Pharmaceutical Association says there is an incentive to get prescriptions by companies doing business out of state and they want to try to keep that money in New Mexico. They want to be able to have the same co-pay arrangements with prescriptions filled in state. She thinks the insurance companies will fight that.

In response to a question by Chair Lopez, Ms. Meador stated that she suspects the Precautionary Programs proposal would go to the Environmental Section of the Department of Health and Dr. Larragoite agreed.

Ms. Meador reported that there are three other pieces of legislation that individual legislators will be introducing. The first, The Psychology Board, wants legislation which extends their prescribing authority to prescribe medication dealing with side affects. The second is a memorial, which would be assigned to the HPC, looking at women's health issues and the third is about foreign medical school graduates. Currently, some doctors who attended certain foreign medical schools, even if they did their residency at UNM and in New Mexico, will not be licensed.

In response to a question by Chair Lopez, Dr. Larragoite reported that the same issue with dentists came up in the Oral Health Committee meeting. One of the problems is the way the residency program is structured at UNM and the need for licensed dentists to be part of the residency program. The standards for the residency program need to be changed to address that. This is done in Texas, but those dentists are limited to practicing in one single facility and can only treat the immigrant population. They cannot practice in any city other than what is defined.

The Governor has asked for public input regarding Behavioral Health professional licensure. There are four ways people can give comments: by attending a meeting in Santa Fe at the Capitol, by giving comments in Albuquerque on April 15, by e-mailing comments, or by mailing a letter to Ms. Meador. Ms. Meador will be facilitating the public meetings. The idea is to hear from people that employ behavioral health practitioners and from practitioners themselves, such as: people who have had a hard time getting licensed, people who got licenses and felt that it was more difficult in New

Mexico than anywhere else, and people who have ideas for better recruitment and retention of behavioral health practitioners.

School Based Health Centers (SBHCs)

Ms. Meador reported that there was a total of \$6 million in the Governor's operating budget for 34 new school based health centers. There is also some money for tele-health in eight different school sites around the state. She added that there is now a section on the HPC website regarding school based health centers. Ms. Stahl added that the website will give practical information regarding SBHCs, as well as inform the public about what is happening.

In response to a question by Commission Montano, Ms. Meador reported that the reason specific schools in some areas are beginning to be identified by the school district, is because the Governor's office asked the school district superintendents to identify where they would like school based health centers.

In response to a question by Chair Lopez, Ms. Meador stated the Governor has only identified school districts and the Superintendent of the school district will identify the specific school. If a school district is not listed, they would not be prioritized but they might still be able to get help applying for the Bureau of Primary Care federal money for school based health centers.

In response to Commission Montano, Ms. Meador stated sex/reproductive issues and services will be offered in each of the three levels, with basic information and services offered at level one, and mandatory at levels two and three.

In response to a question by Chair Lopez, Ms. Meador stated that even though oral health was not included as part of the services, it could be offered. Dr. Larragoite added oral health in SBHCs was one of the recommendations from the Governor's Oral Health Council.

Insure New Mexico! Recommendations

Ms. Meador reported that Insure New Mexico! has made a number of recommendations to the Governor. Six or seven pieces will be included in his legislative package. One piece, also supported by the Legislative Health and Human Services Committee, would allow for young people, up to the age of 24, to stay on their parent's health insurance even if they were not attending school. Ms. Meador continued that the second piece would allow insurance companies to provide insurance for part-time employees but no the insurance companies have agreed to it. There will be some measures that will provide a graduated tax credit for small employers who provide insurance for their employees.

Ms. Meador reported there will be a measure that allows the health insurance alliance to insure more people who are high-risk people, insuring about 1,000 more people than they can insure presently. She added that the Small Employer's Insurance Program, where

small employers (including non-profits) with up to 20 employees, can buy into a plan through GSD, is the same plan for state employees. The cost of the premiums is not known at this time. A final measure is the State Coverage Initiative, aimed at helping up to 10,000 people who are currently uninsured.

Ms. Meador stated the Insure New Mexico! recommendations from the Governor would decrease the number of uninsured people by 10% or approximately 40,000 people.

Ms. Meador reported the results of the HPC's employers survey would be provided at the next Commission meeting and will show the details of what it covered.

Dr. Larragoite added that since New Mexico is such a low population state, underwriters would not write policies. It is difficult to have a cost effective pool to increasing our purchasing power.

NEW BUSINESS

Commission Issues

Chair Lopez stated that Commissioner Nelson had requested a future presentation by a physician on medical insurance. Commissioner Nelson added that he has been approached by several physicians concerned with the crisis of medical malpractice in NM. The HPC has an opportunity to do something now before the situation drives more practitioners out of the state. In the 1970s, the Medical Malpractice Act was passed which capped awards for malpractice. The Medical Society then formed a Malpractice Insurance Carrier which made sure physicians were insured. Since that time, that company has been publicly traded and now AB Capital is the sole beneficiary of the medical malpractice insurance legislation. There are some other insurance carriers not benefiting from these caps and so their insurance is different and not as good. That company has been viewing their role more as a business than a community service, and rates are rising dramatically by 16%. Some physicians, who are good physicians, are being dropped from the insurance. This may be the front wave of a medical malpractice crisis. The medical director of the Resource Utilization at St. Vincent Hospital asked HPC for 30 minutes at the next meeting to present the statistics. The Commission can decide about being involved in this or not before it becomes a real problem.

Dr. Larragoite asked the Commission to schedule future meetings through June and after a brief discussion the following meeting dates were set: February 11, 2005; March 11, 2005; April 8, 2005; May 13, 2005 and June 10, 2005. Dr. Nelson stated he would schedule a speaker for the February meeting and Dr. Hesse suggested a speaker from the Medical Society.

Ms. Quintana asked that the June meeting be tentatively scheduled until April when she would receive DFA's deadlines regarding reimbursement per diem vouchers and the budget closeout schedule for year-end. Dr. Larragoite added that at the end of May and

the beginning of June, annual meetings of various health care entities take place, and that the June meeting date was tentative.

Ms. Quintana reported that DFA had changed the Professional Services Contracts rules effective today which included language that all professional services contracts, regardless of amount attached, be reviewed and signed before being forwarded to DFA. Since HPC does not have an attorney on board, she contacted DFA, Office of General Counsel, who stated that HPC is administratively attached to the DFA through a 1995 Memorandum of Understanding. The MOU has never been reviewed annually and does not terminate until both parties agree to the termination. The MOU says that the DFA shall provide legal counsel to the HPC. The MOU was faxed to the AG's office and then a decision will be made as to who would provide legal service to the HPC. She will update the Commission at the next meeting.

Ms. Stahl pointed out that the Quick Facts document, which staff worked hard on, would be available on the Commission's website and would also be provided to the legislators. Dr. Larragoite added that the document is also available on CD. Chair Lopez suggested that the membership of the Commission be added to the document. Membership is listed at the back of the publication.

Dr. Larragoite added that the agency was very unique because, as a state agency, it is overseen by an independent commission. He reported that he has requested the Attorney General's office to assign an attorney to the agency to review contracts and review the business done by the Commission, as well as attend the monthly meetings.

ADJOURN

Upon motion by Commissioner Montano and second by Commissioner Anton, the meeting was adjourned at approximately 12:43 p.m.

Approved by:

Andy R. Lopez, NMHPC Chair

Date

Submitted by: Michelle Gorman