

**The Health Workforce & New Models of Payment & Delivery of Care: Medical Homes and Accountable Care Organizations, State & National Updates**

1. Understand ACA provisions affecting health workforce.
2. Learn how implementation affects New Mexicans.
3. Identify opportunities to participate - rulemaking, regulation, and implementation of reform measures.
4. Understand timelines - priming the pipeline, aligning incentives for HPSA's, implementing new models.

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 University of New Mexico  
 May 21<sup>st</sup>, 2011

**The Nation's Nursing Shortage**  
 U.S. will be short 0.25 to 1 million nurses by 2020

"What Is Behind HRSA's Projected Supply, Demand and Shortage of Registered Nurses?" HRSA 2004 from: <http://ftp.hrsa.gov/ohp/workforce/behindshortage.pdf>  
 "The Future of Nursing" ROM from: <http://www.aanp.edu/2256.html>

**The Nation's Physician Shortage**  
 By 2020, the U.S. will be short over 90,000 physicians  
 The largest shortage – 45,000 primary care physicians

Figure 2. Projected FTE Physicians, Most Plausible Scenario, 2006-2025

Dill MJ, Salsberg ES. 2008. "The Complexities of Physician Supply and Demand: Projections through 2025." Association of American Medical Colleges.  
 AAMC Center for Workforce Studies: Physician Shortage June 2010. Accessed 10/5/10 at: <http://www.aamc.org/newswroom/presskit/medShortage1.pdf>

**Affordable Health Care Act Titles**  
 Thomas.gov

Our Hundred Eleventh Congress of the United States of America  
 43 700 RECORDS ADDRESS  
 House and Senate of the City of Washington at Freedom  
 4000 Independence Avenue, NE  
 Washington, DC 20540-6000

In 2010  
 Passed by the House on September 27, 2010  
 Passed by the Senate on March 21, 2010  
 Signed by the President on March 23, 2010  
 Public Law 111-148  
 Statute at Large 124-261

- I Quality, Affordable Care for All Americans
- II Role of Public Programs – Medicaid, CHIP
- III Improving Quality & Efficiency of Care
- IV Prevention of Chronic Disease, Improvement of Public Health
- V Health Care Workforce**
- VI Transparency and Program Integrity
- VII Improving Access to Innovative Therapies
- VIII Class Act
- IX Revenue Provisions
- X Strengthening Quality Affordable Care

**Health Workforce & the Affordable Care Act**

- \$230 m Teaching Health Centers
- \$168 m PCP Training
- \$32 m Physician Asst Training
- \$45 m NP Training & Practice
- \$5 m State Hlth Workforce Grants
- \$1.5 b National Hlth Svc Corps

**Growing Uninsured....**

	<u>Uninsured in U.S.</u>	That's a 32% Increase in Ten Years!
2000	38.4 Million	
2009	50.7 Million	

US Census Bureau: Accessed 2/10/11 < <http://www.census.gov/> >.

### Affordable Care Act

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- Covers 32 million uninsured
- Costs \$794 billion
- Reduces deficit \$138 billion 2010-19

Congressional Budget Office,  
Joint Commission on Taxation

Accessed 8/23/10:  
< <http://www.cbo.gov/> >  
< [HTTP://www.thomas.gov](http://www.thomas.gov/) >

### HR 3590 “Patient Protection and Affordable Health Care Act”

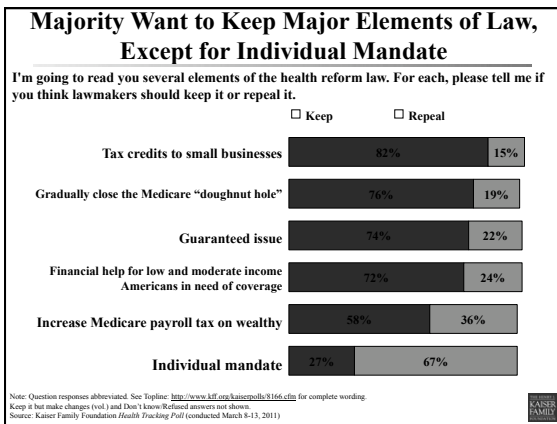
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What happened 2010 :

- Prohibits lifetime limits / rescission of coverage
- Prohibits denial for children with pre-existing conditions
- Begins to close Medicare “donut hole” \$2700 to \$6154
- Offers 35% small business tax credits

In 2014:

- Requires guaranteed issue
- Subsidizes premiums



### Affordable Care Act Mandate

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**In 2014 – THE MANDATE:**

- Taxes individuals without coverage 2.5% of household income or \$695 - \$2,085 yr
- Taxes businesses >50 employees w/o insurance \$2000/ft

### H.R. 2: “Repealing the Job-Killing Health Care Law Act”

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2 This Act may be cited as the “Repealing the Job-Killing Health Care Law Act”.

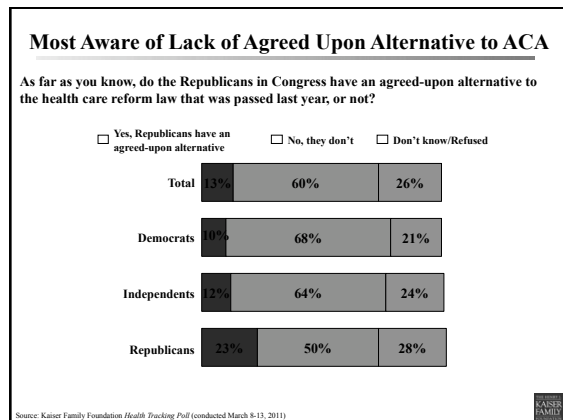
3 Killing Health Care Law Act”.

4 SEC. 2. REPEAL OF THE JOB-KILLING HEALTH CARE LAW AND HEALTH CARE-RELATED PROVISIONS IN THE HEALTH CARE AND EDUCATION RECONCILIATION ACT OF 2010.

5 (a) JOB-KILLING HEALTH CARE LAW.—Effective as of the enactment of Public Law 111–148, such Act is repealed, and the provisions of law amended or repealed by such Act are restored or revived as if such Act had not been enacted.

Accessed 2/2/11: < [HTTP://www.thomas.gov](http://www.thomas.gov) >

1/19/11 PASSED HOUSE 245-189



## 2012 Ryan Budget Resolution

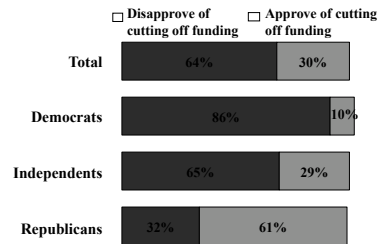
CR thru Sept 2011 - \$38.5 b in cuts

### Path to Prosperity; CAP Act

- Reduce spending \$6 trillion over 10 years
- Cap federal spending to a % GDP (20.25%)
- Repeal ACA -\$1.4 trillion
- Medicaid block grants -\$500 to -750 billion (NM -\$8b)
- Medicare "premium support" -\$856 billion
- Social Security -\$1.3 trillion

## Majority Disapproves of Cutting off ACA Funding

Whether or not you like the health reform law, would you say you approve or disapprove of cutting off funding as a way to stop some or all of health reform from being put into place?



Note: Don't know/Refused answers not shown.  
Source: Kaiser Family Foundation Health Tracking Poll (conducted March 9-11, 2011)

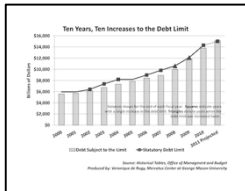


## Debt Limit Increase

Key Date: 8/2/11

Limit: \$14.3 Trillion

Stops payment: Medicare Social Security, military salaries, debt interest, unemployment benefits



## New Mexico

Last in Access to Care\*

32/33 Counties HPSA/MUA/P

Uninsured 23% (49/50)

Hispanic 44%

Native Am 10%

\*Commonwealth 2009 Study. Accessed 4/24/11  
<http://www.commonwealthfund.org/Content/Publications/Fund-Reports/2009/Oct/2009-State-Scorecard.aspx>  
HPSA = Health Professions Shortage Area MUA/P = Medically Underserved Area/Population

## Public Health Policy at the State Level

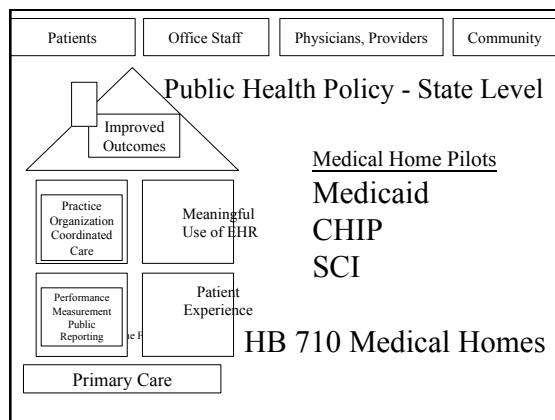
### HB 710 Medical Homes

Medical Home Pilots

Medicaid

CHIP

SCI

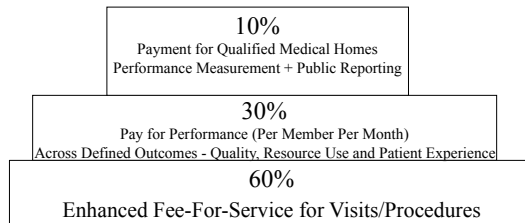


### Payment Issues in Primary Care

- >40% of primary care services not reimbursed in fee-for-service methodology<sup>1</sup>
- Payment for procedures is 3X payment for primary care<sup>2</sup> 30 min spent surgical procedure worth 3X a 30-min visit with DM patient
- AMA's specialty dominated RUC Committee (Resource Based Relative Value Scale Update Committee) advises CMS
- CMS accepts 95% RUC's recs

1. Adams J et al. Patient-centered medical home. IBM Web site: www-935.ibm.com/services/us/ghs/bac/html/ghs-medical-home.html. Accessed July 10, 2009.  
2. Bodenheimer T. N Engl J Med. 2006;355:861-864.

### Payment Reform – Link PCMH to Reimbursement: Balanced, Increased Payment



### Accountable Care Organization - CMS

Releases ACO proposed rule 3/31/11  
 Accepts comments thru 6/8/11  
 Estimates Medicare savings \$960 million/3yrs  
 Begins Jan 2012  
 Expects 75 to 150 ACO's

### ACO's Are Required to:

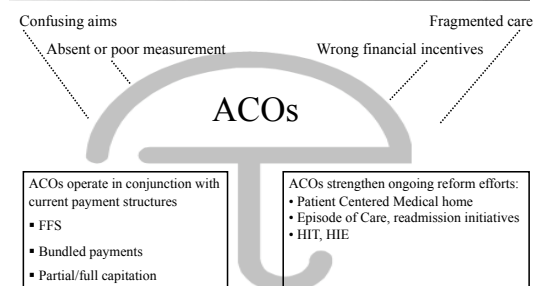
Accept a minimum of 5,000 Medicare patients  
 Report on 65 quality measures in 5 domains  
 Care coordination, patient safety, patient experience of care, preventive health, at-risk populations  
 Notify beneficiaries they are participating

Note: patients can opt-out, beneficiaries are retrospectively assigned based on primary care services utilization data, no "lock-in"

### ACO Rural Regulations :

Allow FQHCs to partner with ACOs  
 Provide ACO bonus for strong use of FQHCs  
 Let rural ACOs share in first dollar savings  
 Increase % point increase in shared savings for ACO's with assigned beneficiaries visiting FQHCs during performance year

### ACOs Synergistic With PCMH and Other Reforms



Source: Mark McClellan MD, Brookings Institute 2010

**Public Health Policy in Clinics and Hospitals**

Teaching Health Centers – A Service/Learning Model - Health Commons - Community Based, Team Based Education and Care Delivery

UNM Dental Residency: 19/28 (69%) of Grads Remain in NM, 18 (64%) URM FM Residency – 50 to 75% grads in NM

**UNM SOM Medical School and/or Residency Graduates by NM County - 2009 and NM Physicians with Active Licenses**

40% (N=1,769)<sup>1</sup> of NM's Total (N = 4,409)<sup>2</sup> physicians with active license & NM Address are grads of UNM SOM's medical school/ residency programs

<sup>1</sup>UNM SOM Graduate Location Report 2010  
<sup>2</sup>New Mexico Medical Board 2010 Official List of Active Physicians

Can we keep more NM grads?

**YES - From 2005-2009, the # UNM grads practicing in NM increased by 103 per year**

	Total UNM Resident and Med School Graduates	UNM Grads Active License in NM	% UNM Grads in NM	Growth in % Graduates in NM
2009	6,523	1,769	27%	'05-'09 31% ↑
2005	5,713	1,355	25%	'00-'05 11% ↑
2000	4,665	1,222	25%	
1994		819		'94--'99 40% ↑
1999		1,190		

From 2000-2005, the # UNM grads practicing in NM increased by 27 per year.  
From 1994-1999, the # UNM grads practicing in NM increased by 60 per year.  
< <http://hsc.unm.edu/som/locations/> >

**NM Legislature**

- Begins the third Tuesday in January
- Odd years = 60 day session
- Even years = 30 days (budget, appropriations, Governor's priorities)
- 50<sup>th</sup> Session: Jan 18 – Mar 19, 2011
- Governor inaugurated Jan 1, 2011

**NM Legislature**

- 42 Senators - 27D and 15R
- 70 Representatives - 36D, 33R, 1 unaff.
- Nation's only unpaid volunteer citizens' Legislature (\$159 per diem)

**NM General Fund Expenditures '09**

	NM \$	NM %	US %
Education K-12	\$2.5 Billion	41.5%	35.8%
Higher Education	\$0.87 Billion	14.3%	11.5%
Medicaid	\$0.64 Billion	10.5%	15.7%
Total Budget	\$6.08 Billion		

KFF State Health Facts 3/29/11 at: <http://www.statehealthfacts.org/profileind.jsp?rgn=33&ind=33&cat=1>

### Governor's Proposed Budget FY' 12

- \$5.4 Billion General Fund Spending
- 4.4% Increase from 2011
- Balance budget w/o increasing taxes
- Preserve spending in the classroom K-12
- Maintain health spending for vulnerable pop

Gov. Susana Martinez Executive Budget Accessed 3/29/11 at: <http://budget.nmdfa.state.nm.us/cms/kunde/rts/budgetnmfistatennms/docs/1043714049-01-10-2011-13-28-06.pdf>

### HB 2 Budget FY' 12

- \$5.47 B General Fund Spending
- Balanced w/o increasing taxes (state employees pay 3.5% more retirement)
- Preserve spending in the classroom (1.5% cut non-classroom)
- Maintain health spending for vulnerable populations (# on Medicaid will grow, GF support will approach \$1 billion in 2012, 4:1 federal match)

HB 2 accessed 3/29/11 at: <http://www.nmlegis.gov/Sessions/11%20Regular/firs/HB0002.pdf>

### NM Bills Passed 2011

1,511 Total Bills Introduced  
 284 Passed (18.8%)  
 186 Signed (2/3 of Passed, 12.3% Ttl Introduced)  
 35 Vetoed  
 63 Unsigned = "pocket veto"

Conciliation Final. 50<sup>th</sup> Legislature, First Session 2011. Includes all bills passed by the House and Senate, constitutional amendments and bills vetoed by the Governor. NM Legislative Council Service.

### Health Bills Passed 2011

- SB 14 Health Care Work Force Data Collection, Analysis & Policy Act
- SB 38/370 Health Insurance Exchange
- SB 333 Amend the Medical Malpractice Act

### Professional Liability Reform

Principles of NM's Reform:  
 1) Decreased Statute of Limitations  
 2) Instituted Mandatory Screening Panel  
 3) Capped Non-Medical Damages,  
 Since 1995: \$600,000 (\$200k primary, and \$400,000 PCF)

### Why Open Med Mal Act in 2011?

- Protect individual physicians covered ***and*** their corporations
- Create a separate hospital comp. fund, limit liability (\$1.5 million)
- Limit punitive damages (2X award)
- Change to "Professional Liability Act"

**The bill passed...**

- Covered Corporations, HOWEVER
- Increased cap from 600,000 to \$1m in 2012
- Increased 3% per yr or CPI thereafter
- Deleted separate hospital comp. fund provision
- Deleted limit on punitive damages provision
- Deleted inclusion of nurse midwives provision
- Remained "Medical Malpractice Act"

Status: Vetoed by the Governor

**Regional Professional Liability Premiums**

	IMED	Gen Surg	Ob/Gyn
NM	13,344	60,203	69,450
AZ	15,904	49,119	62,769
CO	11,372	47,350	55,209
UT	13,008	67,564	95,213
TX	21,852	80,962	94,400

Source: Medical Liability Monitor 2009  
<http://www.mymedicalmalpracticeinsurance.com/new-mexico-medical-malpractice-insurance.php#historicdata>

**New Mexico Public Payer**

Payer Source	# New Mexicans
Medicaid	550,000
Uninsured	450,000
Medicare	300,000
Other Public	150,000
CHAMPUS Tricare	50,000
Subtotal Public	1,500,000
Total Pop. NM	2,000,000

**Starting in 2014 in New Mexico**

- 350,000 to 400,000 uninsured New Mexicans will have health insurance
- This will increase demand 25-30%
- We need to prime the health professions pipeline NOW!

**SB 14 Health Care Work Force Data Collection, Analysis & Policy Act**

- Signed by Gov. Martinez 4/8/11
- Data collected at time of licensure
- Health Profession Shortage Area (HPSA), Medically Underserved Area/Population (MUA/P) scoring changing this year
- HPSA/MUA/P scoring affects 38 federal programs (ex. NHSC loans)

**Addressing Access to Quality Care**

If we increase NM's primary care supply by 400 FTE's data shows we will:

- Improve access to quality care.
- Create 9,200 jobs in New Mexico
- Generate \$600 million in revenue for communities