

Hearing on Medicaid hints at conflict to come

Officials: Overhaul about finances, not reducing recipients

By Trip Jennings
The New Mexican

Wearing a bright-red top and a blue bandana on her head, Sherri Gonzales looked the picture of health Tuesday. The 31-year-old Albuquerque woman quickly disabused New Mexico state lawmakers.

"I am the face of Medicaid," Gonzales said at the end of a three-hour, at times tense legislative hearing in which state lawmakers grilled Gov. Susana Martinez's Human Services Secretary, Sidonie Squier, on the state's efforts to redesign Medicaid, a government program that provides health insurance for one in four New Mexicans.

Gonzales spoke of caring for her cancer-ridden grandmother until she passed away and then enduring her own cancer diagnosis. "Without that coverage (Medicaid), I would not be here. It's been hell. It's good to see you guys care," Gonzales said.

Many state lawmakers had expected to hear details on how the redesign would affect the more than 550,000 New Mexicans — 336,000 of whom are children — using Medicaid. But Squier and a number of Martinez administration officials assured legislators the redesign remained in its conceptual stage, with "little flesh on the bone," as Squier put it.

The Martinez administration's plans to overhaul Medicaid have provoked concern, even fear, among New Mexico's health care advocates and some

of the program's recipients. And that anxiety was evident at Tuesday's hearing.

"You have a fight on your hands if you think we are going to give in" to a Republican political statement, said Democratic Rep. Miguel Garcia of Albuquerque.

Meanwhile, Sen. Nancy Rodriguez, D-Santa Fe, got to the heart of one of the advocates' concerns: that the Medicaid redesign is a way to cull people from the program's rolls.

"We have no intention of removing people from Medicaid rolls," Squier said. "I do think we do have some financial issues and we are trying to address them through the modernization plan."

Rodriguez asked Squier if there was any question in her mind that there are too many people on Medicaid.

"No, that never crossed my mind," the human services secretary answered.

While details of the redesign were scarce Tuesday, Squier did enumerate some of the principles that would guide the state's effort to overhaul Medicaid over the next 24 months.

- ◆ Increase Medicaid recipients' personal responsibility by imposing copays for some high-cost services but also rewarding good behavior, such as a recipient's decision to quit smoking.

- ◆ Put into place pay-for-performance targets that encourage better health care outcomes than paying for the quantity of services a provider gives.

- ◆ Ask the federal government for a "global waiver" to get rid of some of the bureaucratic layers in New Mexico's current Medicaid program.

PUBLIC MEETINGS ON MEDICAID REDESIGN

- ◆ 11 a.m. to 1 p.m. July 6, Clovis Civic Center, 801 Schepps Blvd. in Clovis
- ◆ 3 to 5 p.m. July 12, San Juan College, Room 7103, 4601 College Blvd. in Farmington
- ◆ 11 a.m. to 1 p.m. July 26, Roswell Public Library, Bondurant Room, 301 N. Pennsylvania Ave. in Roswell
- ◆ 9 to 11 a.m. July 27, New Mexico Farm and Ranch Museum Theater, 4100 Dripping Springs Road in
- Las Cruces
- ◆ 10 a.m. to noon July 28, The University of New Mexico Continuing Education Building, Rooms G and H, 1534 University Blvd. NE in Albuquerque
- ◆ 1 to 3 p.m. Aug. 2, Willie Ortiz Building, 2600 Cerrillos Road in Santa Fe
- ◆ 9 a.m. to noon Aug. 3, Tribal Consultation in Albuquerque. Location to be determined

"We're breaking new ground for New Mexico in everything we are doing," Squier said.

But exchanges among lawmakers and Squier and other Martinez administration officials revealed the ambitious nature of the undertaking as officials struggled to describe how the redesign might change a recipient's day-to-day life.

"It's one thing to say, 'Don't be obese,'" Rep. Danice Picraux, D-Albuquerque, said of the administration's hope to encourage better behavior. "It's another for a person whose metabolism is slow. They could run seven miles a day and still be obese."

"We're feeling our way as Secretary Squier said," said Alicia Smith, whose consulting firm just won a \$1.7 million contract to help New Mexico make the redesign a reality.

The administration's underlying worry, and the reason for seeking to overhaul Medicaid, is that New Mexico can't pay for the program at its current levels, Squier told lawmakers.

New Mexico's Medicaid rolls grew by nearly 74,000 individu-

als from July 2008 to December 2010, pushing the program's costs to nearly \$3.9 billion for the budget year that starts July 1. The federal government pays most of that bill, but New Mexico's share stills comes to around \$1 billion a year — a significant portion of the state's \$5.4 billion general fund.

An additional 130,000 to 170,000 New Mexicans are expected to enroll in the state's Medicaid program in 2014, an expansion that could cost New Mexico \$300 million to \$600 million extra by fiscal year 2019, making the program unsustainable, Squier said.

But some people and groups disputed Squier's contention that Medicaid was too costly. New Mexico Voices for Children, a public-policy group, issued a report this week that said federal funds washing through the state's economy in coming years would create tens of thousands of new jobs, producing billions of dollars in additional tax revenue. The federal government will pay nearly all costs for new enrollees for the first few years.

Squier and other administration officials assured lawmakers that New Mexicans would get their say on redesigning Medicaid. On Tuesday, the New Mexico Human Services Department announced a schedule of six two-hour hearings scheduled around the state

this summer. A hearing in Santa Fe is scheduled Aug. 2 at the Willie Ortiz Building on Cerrillos Road. The Human Services Department will record all the public hearings and upload the videos to the department's website.

As testy as things got Tuesday, Rep. Dennis Kintigh, R-Roswell, a potential ally of Squier's, counseled the human services secretary to listen to his colleagues. "I will offer this piece of advice," Kintigh said. "My colleagues are smart. They are passionate. You would be wise to engage them. If you attempt to do something significant without talking to them, you will run into more problems than you'll ever want."