



# NEW MEXICO PRIMARY CARE PAYMENT REFORM

NEW MEXICO MEDICAL SOCIETY NOON ZOOM  
OCTOBER 26, 2023

*INVESTING FOR TOMORROW, DELIVERING TODAY.*

## BEFORE WE START...

On behalf of all colleagues at the Human Services Department, we humbly acknowledge we are on the unceded ancestral lands of the original peoples of the Pueblo, Apache, and Diné past, present, and future.

With gratitude we pay our respects to the land, the people and the communities that contribute to what today is known as the State of New Mexico.



Evening drive through Corrales, NM in October 2021.  
By HSD Employee, Marisa Vigil

# AGENDA

Time	Agenda Item
12:00	Overview of the Primary Care Council and Background on NM's Payment Reform Journey
12:10	Primary Care Payment Reform <ul style="list-style-type: none"><li>a. Goals of the Payment Model</li><li>b. High-Level Overview of the Model</li></ul>
12:30	Question and Answer
12:55	Where to Find More Information and Closing Remarks



# MISSION

*To transform lives. Working with our partners, we design and deliver innovative, high quality health and human services that improve the security and promote independence for New Mexicans in their communities.*

## GOALS



### We help NEW MEXICANS

1. Improve the value and range of services we provide to ensure that every qualified New Mexican receives timely and accurate benefits.



### We communicate EFFECTIVELY

2. Create effective, transparent communication to enhance the public trust.



### We make access EASIER

3. Successfully implement technology to give customers and staff the best and most convenient access to services and information.



### We support EACH OTHER

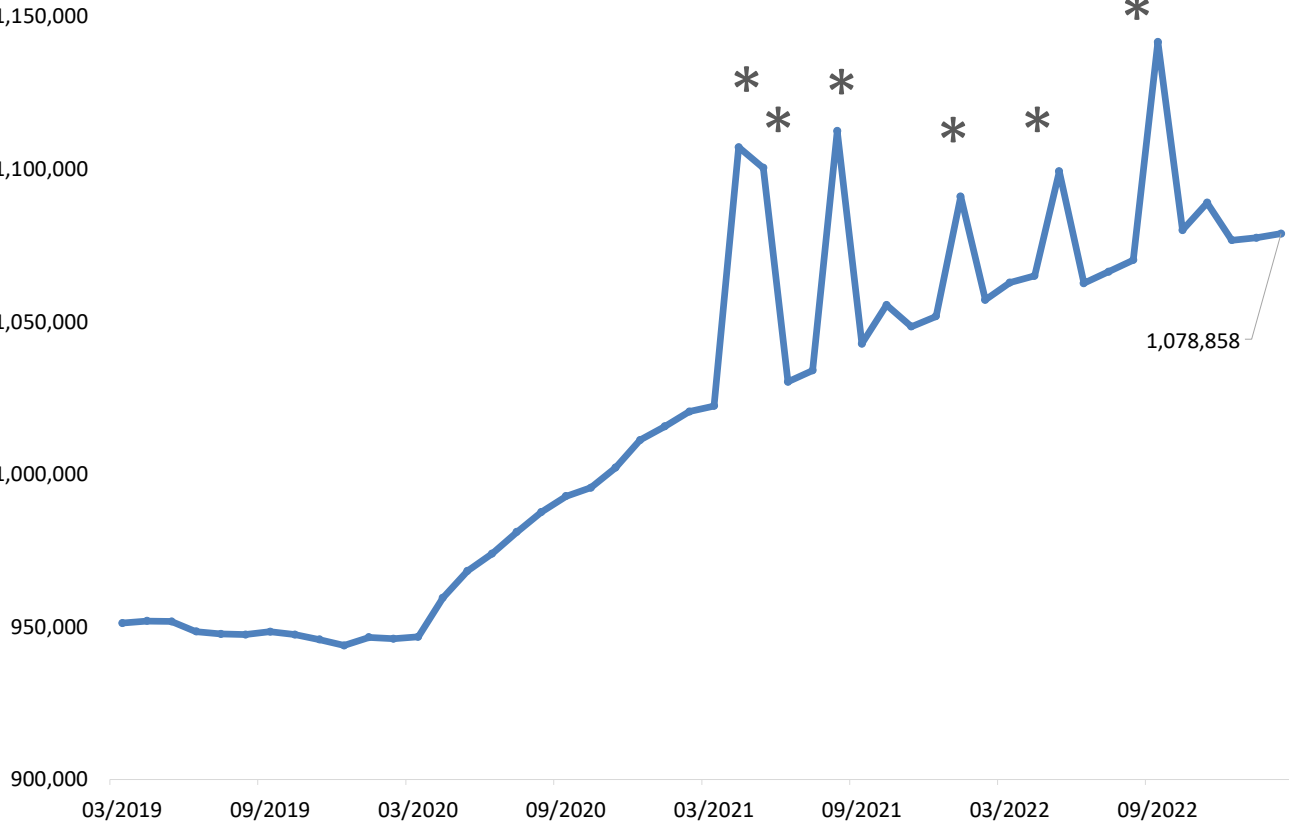
4. Promote an environment of mutual respect, trust and open communication to grow and reach our professional goals.

*Investing for tomorrow, delivering today.*



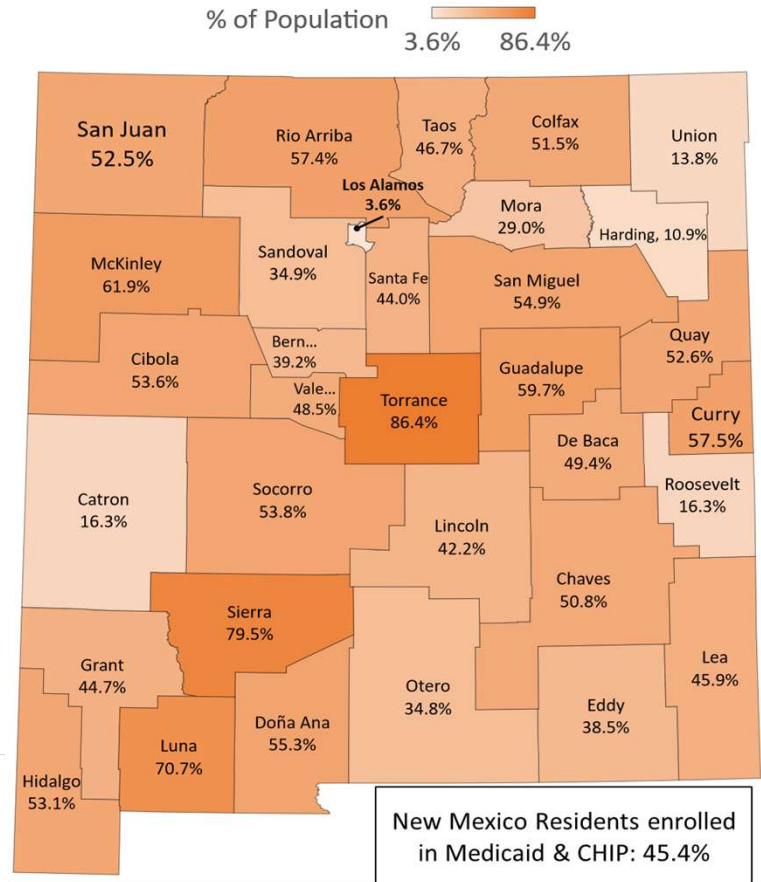
# HSD SERVES 51% OF NEW MEXICANS

Unique HSD Customers, March 2023



\*Months with a Pandemic EBT Payment

Medicaid & CHIP Recipients as a Percentage of Population by County, June 2022



New Mexico Residents enrolled in Medicaid & CHIP: 45.4%

# RURAL HEALTH CARE DELIVERY FUND

The initial recipients are:

- **Covenant Health Hobbs:** Expanding labor and delivery, pre-and post-natal care, and maternal health in Lea and Eddy Counties.
- **El Centro Family Health:** Start-up of dental health services in Taos County.
- **Gallup Community Health:** Increase primary care and behavioral health services in McKinley County.
- **Gerald Champion Regional Medical Center:** Restart in-person outpatient psychiatric services that ceased during the COVID-19 pandemic and expand inpatient behavioral health in Otero County.
- **Laguna Healthcare Corp:** Expand primary care services, pharmacy, laboratory, and radiology in Cibola County.
- **Mimbres Memorial Hospital:** Expand pediatric outpatient, inpatient, emergency, and labor and delivery services in Luna County.
- **Nurstead Consulting Services, LLC:** Create a 24-hour, 7-day-a-week drop-in facility to provide mental health support services in Curry County.
- **South Central Colfax County Special Hospital District:** Increase primary care services, particularly for older adults, and expand substance use services in Colfax County.
- **Sunrise Clinics:** Expand and increase primary care and behavioral health services for youth in Colfax, Guadalupe, Harding, Mora, Quay, Taos, and Torrance Counties.
- **The Learning Path, LLC:** Expand in-person behavioral health services in Socorro County.
- **The Psychiatric Care Center LLC:** Expand behavioral health services in Curry, De Baca, Lea, Quay, and Roosevelt Counties.



Office of the Governor  
**MICHELLE LUJAN GRISHAM**

**FOR IMMEDIATE RELEASE**  
**October 17, 2023**

**Contact:**  
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## **Governor announces initial recipients of Rural Health Care Delivery Fund** *\$18 million granted to eleven rural health care organizations*

SANTA FE – Gov. Michelle Lujan Grisham announced Tuesday the selection of 11 rural health care providers to receive the first tranche of funding through the Rural Health Care Delivery Fund. The governor and Legislature secured \$80 million for the priority initiative in the last legislative session.

"Living in a rural area shouldn't be a deciding factor for the level of health care New Mexicans receive," said **Gov. Lujan Grisham**. "It is a number one priority of this administration to take whatever actions are necessary to build up and support health care providers. Taking a significant portion of the financial burden off of rural providers to expand access will have a real impact on the lives and health of New Mexicans."

Grant agreements with the remaining recipients of the \$80 million are in the final stages of approval and will be announced in November.

# NEW MEXICO PRIMARY CARE COUNCIL

## MISSION

Revolutionize primary care into InterProfessional, sustainable teams delivering high-quality, accessible, equitable health care across New Mexico through partnerships with patients, families, and communities.

## VISION

By 2026, New Mexico will exemplify same-day access to high-quality, equitable primary care for all persons, families, and communities.

### Health Equity



Develop and drive investments in health equity to improve the health of New Mexicans.

### Health Technology



Develop and drive health information technology improvements and investments that make high quality primary care seamless and easy for Primary Care Interprofessional Teams, patients, families, and communities.

## GOALS



### Payment Strategies

Develop and make recommendations regarding sustainable payment models and strategies to achieve high quality and equitable primary care for all New Mexicans.



### Workforce Sustainability

Create a sustainable workforce, financial model, and budget to support our mission and secure necessary state and federal funding.

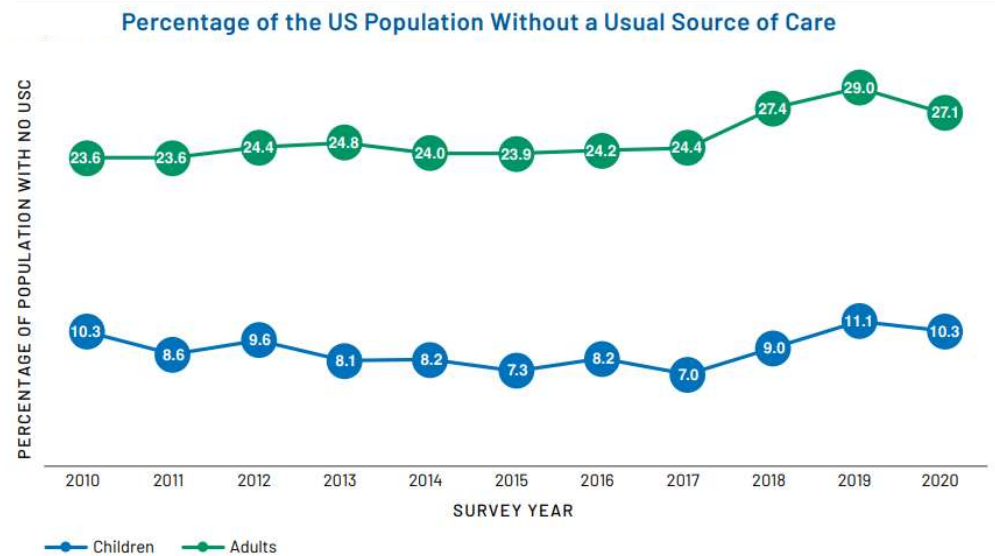
PRIMARY CARE PAYMENT REFORM:  
GOALS OF THE PAYMENT MODEL



# WHY WE NEED CHANGE

Accessible, equitable, and high-quality primary care is foundational to an effective healthcare system.

- The COVID-19 crisis brought to the forefront and exacerbated shortcomings in the current primary care system.
- Payment reforms will be transformative for primary care clinics, providers and clinicians:
  - Increased compensation for primary care clinicians and practices
  - New models retain current workforce and attract new team members
  - Increased access to primary care services for patients
  - Sustainable health care costs
  - Lowered clinician burnout



Data Source: Analyses of Medical Expenditure Panel Survey (MEPS) Data 2010-2020.

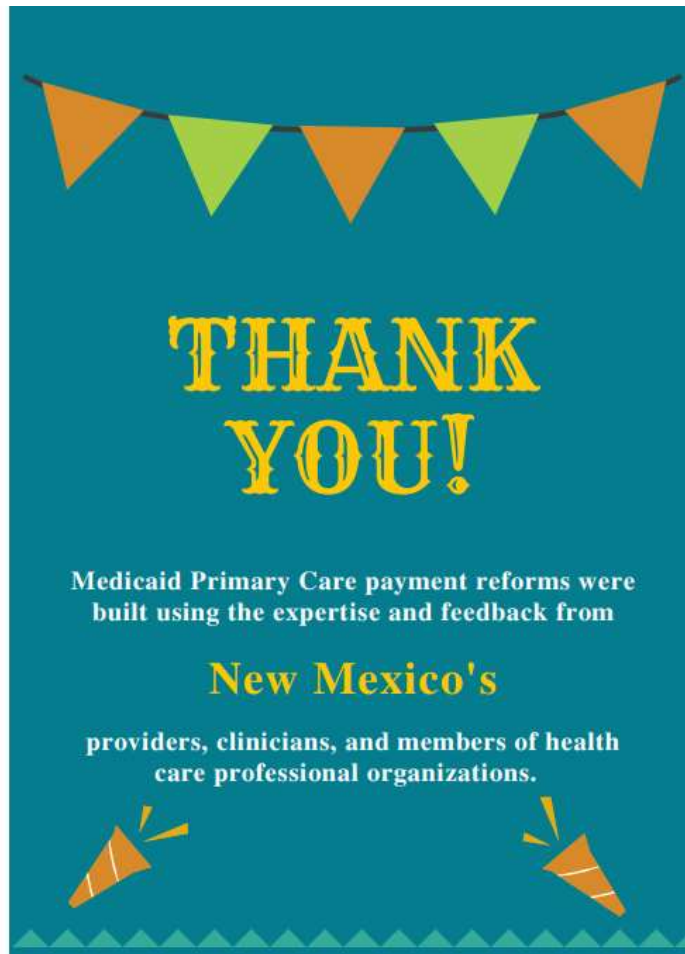
Notes: Usual source of care (USC) ascertained whether there is a particular doctor's office, clinic, health center, or other places that the individual usually goes when sick or in need of health advice. No usual source of care includes those who reported no usual source of care and those who indicated the emergency department as their USC.

Source: The Health of US Primary Care: A Baseline Scorecard Tracking Support for High Quality Primary Care [https://www.milbank.org/wp-content/uploads/2023/02/Milbank-Baseline-Scorecard\\_final\\_V2.pdf](https://www.milbank.org/wp-content/uploads/2023/02/Milbank-Baseline-Scorecard_final_V2.pdf)



*Investing for tomorrow, delivering today.*

# A MODEL DESIGNED BY AND FOR NEW MEXICO



In 2023 we are:

- Introducing the model
- Increasing provider and clinician readiness to adopt the payment model
- Supporting providers and clinicians with learning opportunities to ease adoption
- Increasing awareness of state programs that support primary care clinics, providers & clinicians

*While we are in the roll-out phase of the model, HSD will continue to solicit feedback for future improvements. The model is built to grow as providers, clinicians, and the State have access to more knowledge, ability, and resources.*

## New Mexico Medicaid Primary Care Payment Model Reforms will Address

**HEALTH EQUITY | WORKFORCE SUSTAINABILITY | HEALTH TECHNOLOGY**

*Human Services Department is partnering and collaborating with New Mexicans to provide feedback and provide technical assistance. Our aim is to provide High Quality, Equitable Primary Care to all New Mexicans.*

### Benefits for Patients & Families

- Increased health equity
- Increased access
- Better health care quality
- Whole-person, team-based care
- Integrated Behavioral Health, Dental, & Vision
- Connection to Social Services & Community
- Reduced health care costs

### Benefits for Clinicians & Providers

- Sustainable workforce & improve workplace wellness
- Payment for care of patients
- Increased flexibility and administrative efficiency
- Team-based care approach
- Increased patient care time
- Sustainable financial models
- Improved technology resources

### Benefits for Communities

- Increased public and population health focus
- Relationships between social services, providers, and community members
- Improved health outcomes

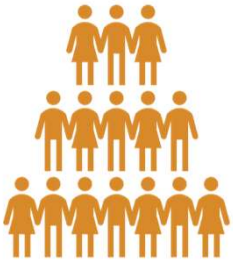
### Benefits for Payors

- Ability to measure health outcomes
- Payment for quality and health outcomes
- Reduction in hospital utilization
- Incentives for efficient use of health care dollars



## MEET JACKIE, A PRIMARY CARE CLINICIAN

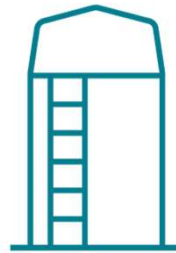
Under the current primary care payment model, a typical day for Jackie involves...



A focus on volume, seeing 20-25 patients per day



Reimbursement based on linking patient care to payment codes, not whole-person, high-quality care



Siloed work and no close collaboration with an interdisciplinary team to meet all of a patient's needs



Arduous documentation, including “pajama time”



Fee-for-service reimbursement is retroactive and prior authorizations are a barrier to care



## THE NEW MEDICAID PRIMARY CARE PAYMENT MODEL WILL IMPROVE JACKIE'S WORK AND HER PATIENTS' HEALTH

Under the primary care payment reform, Jackie's typical day transforms to involve...



A focus on quality, with volume of patients adjusted to accommodate complexity of patient need



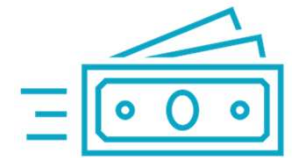
Population-health driven reimbursement that rewards high quality care and is data driven



Ongoing collaborative care by inter-professional teams to treat patients holistically and share best practices



Reduced administrative burden and time shifted to patient care



Payments are paid prospectively, and prior authorizations are less intrusive under capitation



# PAYMENT REFORM ROADMAP

## We are here!

HSD is ramping up provider supports to improve readiness. The payment model is being refined and finalized based on stakeholder input.

2021

The Primary Care Council was established and identified payment strategies as a key goal.

2022

The PCC developed a vision for payment reform, HSD conducted listening sessions, and model development began.

2024-2026

The payment model will be operationalized with HSD's Medical Assistance Division.

2026 and Beyond

The payment reform will support team-based and patient-centered care, health equity, and provider well-being.

PRIMARY CARE PAYMENT REFORM:  
HIGH-LEVEL OVERVIEW OF THE MODEL



## BEFORE WE PROCEED, THREE IMPORTANT THINGS TO KEEP IN MIND

1

Primary care providers will continue delivering care as they are now. *In Year 0, nothing additional is expected in terms of how primary care is delivered.*

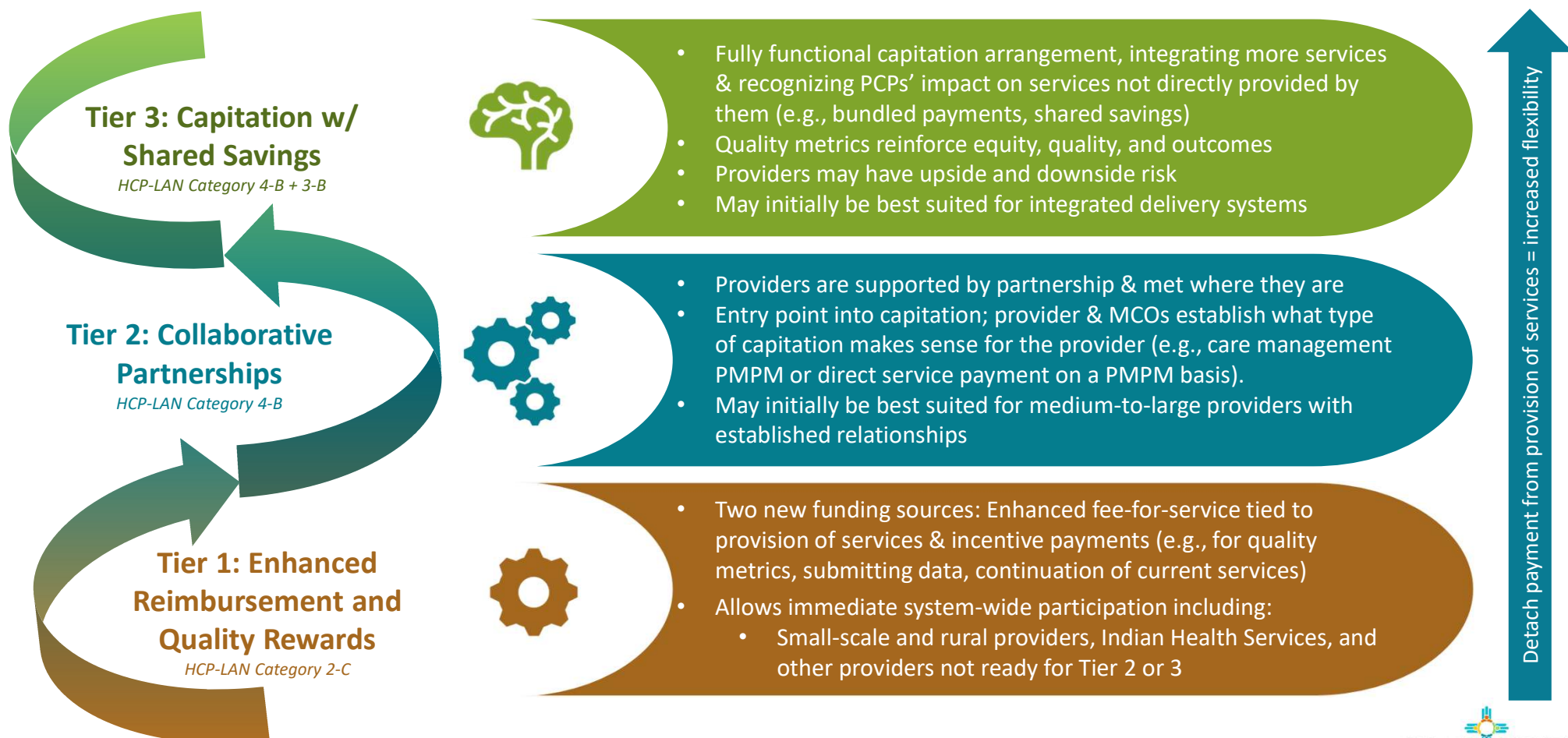
2

Primary care providers will be expected to report on quality measures. Supports needed to assist with this reporting will be identified and provided.

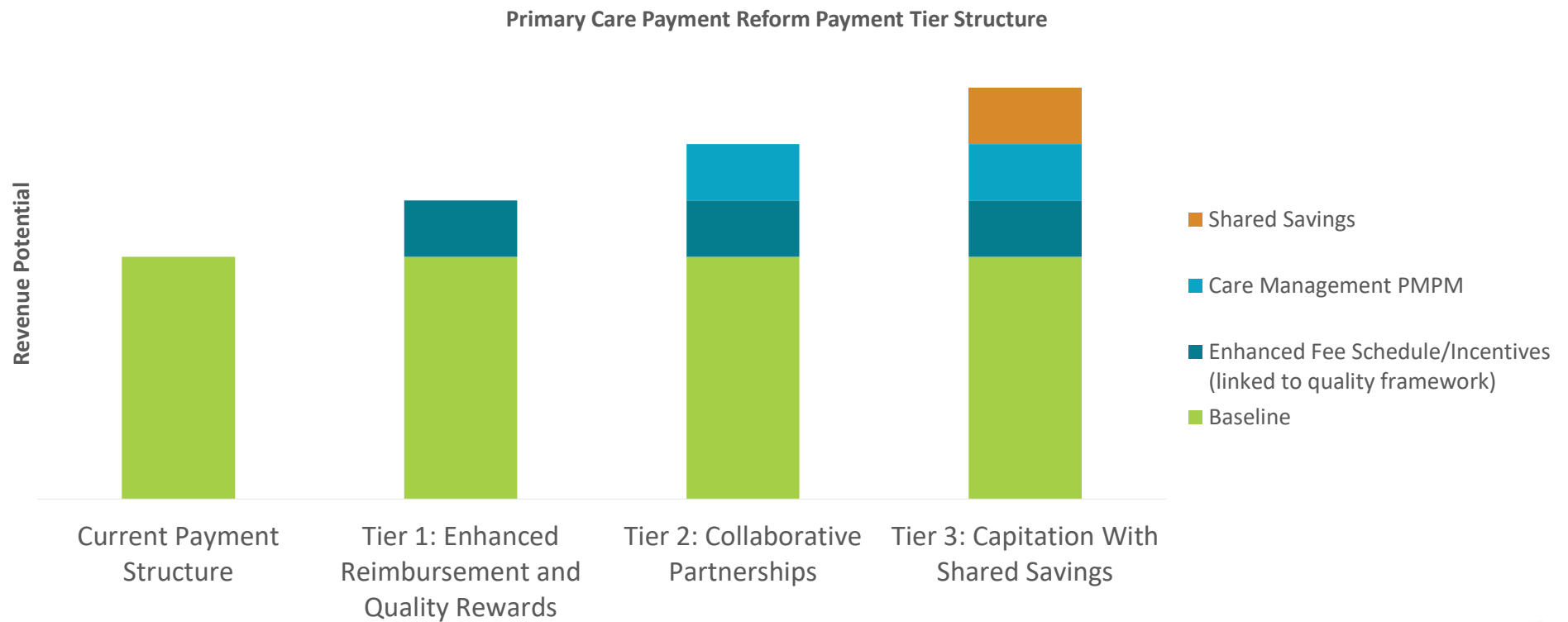
3

Primary care providers will receive an incentive payment to further invest in infrastructure, staffing, building additional capacity, etc. The incentive payment amount is yet to be determined.

# MEDICAID PRIMARY CARE PAYMENT REFORM FRAMEWORK



# THE NEW MEDICAID PRIMARY CARE PAYMENT MODEL OFFERS AN OPPORTUNITY FOR ADDITIONAL INVESTMENT



*\*\*Chart is for illustrative purposes only and does not indicate actual dollar amounts, percentages, or required/actual payment types.*



# PAYMENT REFORM AND INCENTIVIZING INTEGRATION

## Tier 3: Capitation with Shared Savings

### High Integration

- High levels of collaboration between primary care, specialists, and behavioral health providers. May incorporate a team-based approach to care. Some issues, such as a lack of an integrated medical record, may exist.
- Full collaboration between provider groups allows system cultures to merge into a single transformed practice. The operation is viewed as a single system treating the whole person and is applied to all patients.
- Payment covers care delivered by broad professional services providers (e.g., PCP, specialist, dental, vision, and behavioral health providers). Payment measures/rewards advanced clinical measures and all baseline measures.

## Tier 2: Collaborative Partnerships

### Medium Integration

- Closer collaboration between primary care, specialists, and behavioral health providers (e.g., may work within separate systems but in a shared facility). May include an embedded Care Navigator. Complex cases often drive consultation.
- Proximity supports, at minimum, occasional face-to-face meetings. Communication is improved and more regular.
- Payment covers care delivered by PCPs and limited specialists. Payment measures/rewards intermediate clinical measures.

## Tier 1: Integrated Fee-For-Service Payment Reform

### No to Low Integration

- Primary care, specialists, and behavioral health providers work in separate facilities and have separate systems.
- Providers rarely communicate about cases but do engage in periodic communication about shared patients (usually high-risk) and view each other as resources.
- Payment is made to the provider/practice exclusively. Payment covers care services for a single visit.



## QUALITY FRAMEWORK OVERVIEW

***The primary care payment reform is intended to reward primary care providers for providing high quality care to their patients.***

1

Providers and MCOs will establish their own arrangements for data collection and reporting. Metrics are consistent across all MCOs, allowing for identical reporting structures and reducing provider burden.

2

Metrics are a mix of clinical process and outcome measures, access to care standards, and patient-centered metrics. Metric selection is influenced by areas where New Mexico is low performing relative to national benchmarks.

3

The quality framework develops over time:

- Initial focus on reporting, access to care, and patient-centered metrics
- Additional metrics will be added each year
- Metrics will be adjusted over time depending on performance, but no metrics will be removed for the first 1-2 years

# QUALITY METRIC STRUCTURE

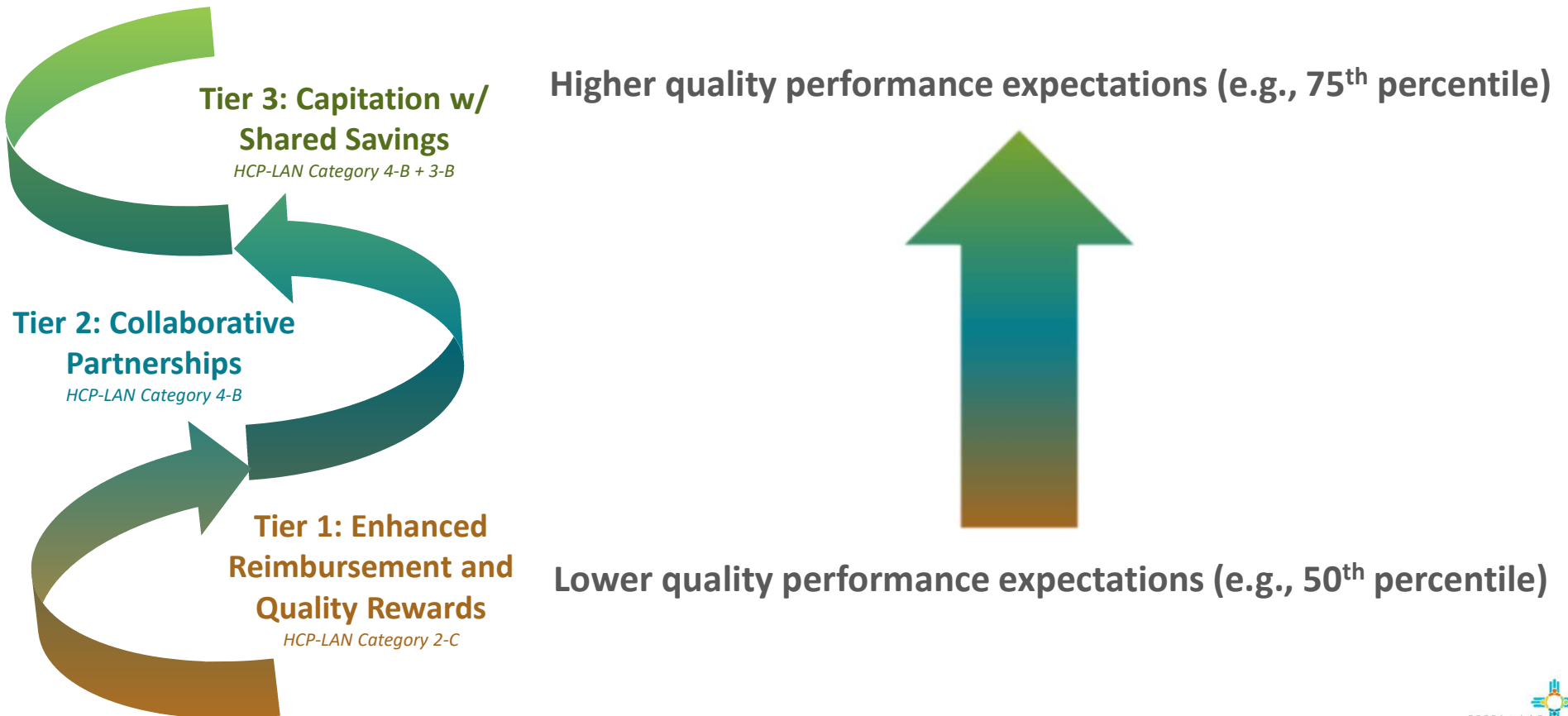
Start with minimal but impactful measures and grow requirements over time

Consistent inclusion of patient-centered measures

The minimum threshold for quality can be increased as providers move to higher-level tiers of the model



## AS A PROVIDER PROGRESSES THROUGH THE TIERS, THE QUALITY TARGET INCREASES


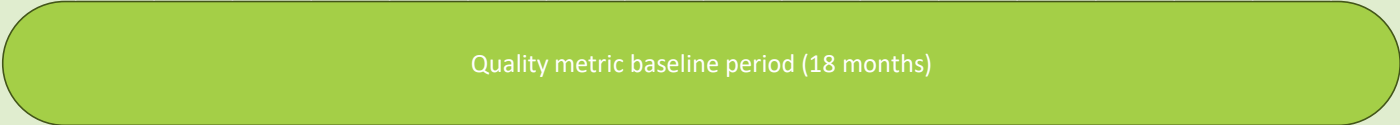



# PAYMENT MODEL ROLLOUT

- All existing primary care payment arrangements continue through 12/12/25:
  - Providers will continue delivering care as they are now – nothing additional is expected in terms of care delivery
- Beginning 7/1/24:
  - Providers will contract with MCOs by 7/1/24
  - Providers will complete quality metric reporting, requiring timely data submission
  - Providers will receive baseline/current reimbursement *plus* enhanced incentives linked to quality metric reporting (pay for reporting)
- Beginning 1/1/26:
  - Tiers 2 and 3 will activate for providers
  - Tiers 2 and 3 have additional requirements, including maintaining an attributed panel of patients, and additional financial incentives



# PAYMENT MODEL ROLLOUT PROPOSAL

	2024						2025												2026
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J
All existing primary care payment arrangements continue through 12/12/25																			
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Beginning 1/1/26:																			
<ul style="list-style-type: none"> <li>Tiers 2 and 3 activate for providers who are in a Tier 2 or 3 contract with MCOs</li> </ul>																			

# QUESTIONS?



## NEXT STEPS AND WHERE TO FIND MORE INFORMATION

- Two upcoming webinars:
  1. Measurement Framework In Depth (November 6<sup>th</sup>, 2023; 12-1:30 MST):  
<https://healthmanagement.zoom.us/meeting/register/tJ0kfu6srT4iG9WAsrpx-2IxCLKjawv6noXm#/registration>
  2. Internal Reporting Infrastructure (December 12<sup>th</sup>, 2023; 11:30-1:00 MST):  
<https://healthmanagement.zoom.us/meeting/register/tJEldO-qpz0iE9ZrwSRvweEOpvjDpuSMES-w#/registration>
- Workshops
  - In-person, regional workshops to be held prior to payment model launch to help providers get ready for Primary Care Payment Model, dates and locations TBA
- HSD will continue socializing the model at virtual and in-person conferences and other events
- For questions, email Elisa Wrede, Primary Care Project Manager, HSD, [elisa.wrede@hsd.nm.gov](mailto:elisa.wrede@hsd.nm.gov)

**MS0**    **Update**

Margot Swift, 2023-10-03T17:35:29.648



For more information and to join our contact list for regular updates, visit <https://www.hsd.state.nm.us/primary-care-council/> or scan the QR code to the right.



*INVESTING FOR TOMORROW, DELIVERING TODAY.*



# PAYMENT REFORM KEY TERMS

- **Fee-for-service:** A method in which health care providers, clinics, or hospitals are paid for each service provided. Examples of services include tests and office visits.<sup>1</sup>
- **Capitation:** A method in which health care providers, clinics, or hospitals are paid a fixed amount of money per patient in advance of services being delivered.<sup>2</sup> The amount paid depends on several factors, such as the type of services provided and historical utilization of services.
- **Shared savings:** A strategy that incentivized health care providers to provide higher quality care by offering them a percentage of savings generated as a result of their patient care (“upside risk”).<sup>3</sup> In some arrangements, providers also share in potential losses (“downside risk”).
- **Integrated care:** A model in which healthcare services are managed and delivered so patients receive a continuum of preventative, diagnostic, and treatment services coordinated across various specialties and levels of care.<sup>4</sup> It is characterized by a high degree of communication and collaboration among healthcare professionals.<sup>5</sup>
- **Quality metrics:** Measures that help payers and other stakeholders quantify healthcare processes, outcomes, patient experience, and systems that are associated with the ability to provide high-quality healthcare.<sup>6</sup>