

Summary of Governor Richardson's Proposal to Achieve Universal Health Coverage

GOAL: To achieve universal health coverage, improve access and quality of health care, and contain costs while preserving roles for government, employers, private vendors, providers and individuals/families.

I. INSURANCE REFORM (To Make Coverage More Affordable and Accessible)

- A. Require at least 85% of premiums to be spent on direct services.
- B. Guarantee issue of individual coverage without permanent exclusion of preexisting conditions.
 - 1. Require offer of or referral to transition products during preexisting condition waiting periods.
- C. Increase portability by extending the allowable lapse in creditable coverage from 63 to 95 days for purposes of eliminating or limiting preexisting conditions waiting periods.
- D. Increase access to NM high risk pool for those with high risk or high rates.
 - 1. Extend the time from 31 to 63 days to apply for coverage following involuntary termination to qualify for waiver of preexisting condition exclusion periods (if applicant satisfied similar exclusion periods under previous coverage); and
 - 2. Develop additional health plan options for those covered through the high risk pool.
- E. Limit rescission of health policies or claim denials to willful or fraudulent misstatements regarding preexisting conditions.
- F. Expand the annual minimum cap on coverage that can be set by health care plans from \$50,000 to \$100,000.
- G. Hold down cost increases for small employers by changing from 20% to 10% the amount premiums can be increased above the average rate because of health status or experience, (phased in over five years and retaining rating by age and geography).
- H. Analyze and recommend methods to increase New Mexico practitioners/providers/facilities acceptance of Medicaid and other public sources of payment for health care, considering impact on access, quality and cost.
- I. Allow IHS and tribal 638 providers to be part of a carrier's provider network, serving only NAs.
- J. Protect retiree trust fund, and allow partners of retirees to be covered.
- K. Require unduplicated but common data reporting from all insurance companies for all products and from employers, practitioners and health care facilities.
- L. Provide brokers/agents opportunities to offer state funded public products, with limited immunity from liability if trained and certified to offer such products.
- M. Impose a moratorium on additional insurance benefit mandates until after 1/1/11; require periodic effectiveness and cost analyses of existing and proposed mandated benefits.

II. COVERAGE MECHANISMS AND PARTICIPATION (To Assure Everyone Has Coverage)

- A. Require individuals to show proof of coverage, initially for outreach purposes, beginning 1/1/10; enforcement phased in and set by the legislature, after recommendations from the Health Coverage Authority, considering affordability and coverage guidelines.
- B. Require employers to contribute to a Healthy New Mexico Workforce Fund, offset by the amount paid by any employer for employees' health benefits, beginning with CY09 (one-half of SFY10).
 - 1. Uses of the fund annually appropriated by Legislature to increase coverage.
- C. Require employers to offer a pre-tax health coverage option for employees that are not offered a health plan, whether the employer chooses to contribute to that plan or not.
- D. Require employers to collect information about coverage from employees.
- E. Analyze allowing a buy-in to existing public risk pools (e.g., Medicaid, state & local employee pool).

III. HEALTH COVERAGE AUTHORITY (To Reduce Bureaucracy & Create A Single Point of Accountability)

- A. Set standards for benefits (including preventive services) and plan choices that will count as "coverage;" affordability guidelines; performance standards; and provider complaint resolution.

- B. Engage in activities to control costs and increase access and quality; for example,
 - 1. Methods to identify and address healthcare cost drivers;
 - 2. "Pay for performance" programs and quality standards;
 - 3. Prevention, disease management and wellness programs;
 - 4. Cost-effective and therapeutically effective pharmaceuticals;
 - 5. Practitioner recruitment and retention activities and incentives;
 - 6. Quality data, posted on public web site;
 - 7. Analysis of impacts of setting reasonable, appropriate and adequate rate ranges for providers;
 - 8. Opportunities for collaborative purchasing of health care delivery supplies, pharmaceuticals, and/or administrative services.
- C. Manage and consolidate public sector pools and programs:
 - 1. Phased consolidation of administrative resources and functions of multiple bureaucracies: FY09 – HPC; FY10 – Group Benefits for state and local employees, HIA, SCI, SEIP, PAK, PAM, & RHCA; and FY11 – NMMIP, APS and NMPSIA;
- D. Develop or make available transitional products to cover waiting periods and address portability;
- E. Develop and submit a written plan to the legislature and governor about whether and how to include Medicaid & SCHIP (by 7/1/09); whether and how to consolidate actuarial pools (by 9/1/10); and feasibility of developing an insurance exchange function;
- F. Conduct studies and analyses of health care and health coverage functions and trends.
- G. Make recommendations to Governor, Legislature, PRC, RLD, DOH, HSD and other bodies for policy, budgetary, regulatory and legislative changes necessary to increase health care coverage, access and quality and/or to control costs.
- H. Develop and publish a comprehensive health care cost, quality and access plan, to address chronic diseases and prevention management efforts and identify short and long-term approaches to additional health coverage reforms.
- I. Educate the public and employers about benefits of health coverage, requirements and options; and serve as a referral source and connector.
- J. Five standing policy advisory councils: 1) Native American Health Care; 2) Delivery System; 3) Cost Containment and Finance; 4) Benefits and Services; and 5) Federal Issues.
- K. External evaluation to assure policy and structures are accountable in meeting identified goals and outcomes.

IV. ELECTRONIC HEALTH INFORMATION TRANSACTIONS AND ELECTRONIC MEDICAL RECORDS (To Control Costs & Increase Quality)

- A. Require electronic claims submission and remittance, including standardizing forms and processes – Action Plan by NM Telehealth and Health Information Technology Commission by 6/1/09.
- B. Require use and exchange of electronic medical records – Action Plan by 6/1/10.
- C. Protection of patients' privacy and right to information.

FY09 EXECUTIVE GENERAL FUND BUDGET RECOMMENDATIONS (in thousands)

- 1. Enhancing NM's Health Care Workforce – \$3,830.0
- 2. Expansion of PTSD Treatment Pilot for Veterans & Their Families – \$1,430.0
- 3. Information Technology Investments in Telehealth & Electronic Health Transactions – \$909.2
- 4. Native American Behavioral Health Care Services – \$750.0
- 5. Medicaid – \$8,811.0 for ~9,000 new children
- 6. Start-Up Costs for Health Coverage Authority – \$1,300.0 million (FY08 Special Appropriation)
 - a. Five (5) FTE (including NA Liaison); HCA Board and Advisory Council Meetings; Actuarial & Legal Services; Supplies and Office Costs (first 15 months rent will be absorbed by HSD, HPC and/or DOH); TRD changes in MVD and Tax Forms & Computer Systems; and initial Electronic Health Transactions Planning Work