

## **HEALTHCARE & MEDICAID**

Governor Richardson is proposing a comprehensive healthcare package that addresses the state's Medicaid program, contains strategies to dramatically increase the number of New Mexicans with health insurance, strengthens the law regarding foster and adoptive parents, and includes proposals to ensure the health and well being of seniors and people with disabilities.

### **Medicaid**

The Governor is proposing to increase Medicaid spending by \$78.4 million (16%) over last fiscal year. The total Medicaid budget recommendation for FY06 is \$556.7 million. 423,000 New Mexicans count on the Medicaid program for their medical insurance coverage and healthcare. Roughly 271,000 Medicaid recipients are children. The Governor's main priority with Medicaid is to contain the rapid expansion of the program in the face of skyrocketing costs while maintaining eligibility.

The Governor's plan calls for the implementation of the State Coverage Initiative, a program that expands Medicaid coverage to an additional 10,000 New Mexicans using a combination of state, federal and private funding.

The Governor noted that in the face of rising deficits, the federal government is cutting back its Medicaid commitment and funding to states. In the coming fiscal year, New Mexico will receive \$50 to \$60 million *less* in federal Medicaid funding than the current fiscal year.

Governor Richardson's other health insurance and health care priorities include:

### **Insuring More New Mexicans in the Private Sector:**

The Governor wants to decrease the number of uninsured New Mexicans estimated to be about 414,000 citizens by 10% and insure an additional 41,000 people. The 10% reduction includes the State Coverage Initiative mentioned above and the following proposals for private insurance, which are based on recommendations brought forth by the *Insure New Mexico!* Council:

- Expand the role of the New Mexico Health Insurance Alliance by removing restrictions that prevent them from selling insurance at a competitive price and estimated to insure an additional 10,000 people.
- Allow nonprofit organizations and small employers to voluntarily buy into the state's health insurance program and benefit from the state's purchasing power with an eye toward insuring an additional three to four thousand small business employees.

- Explore offering a graduated tax credit to encourage small employers with 25 employees or less to provide insurance to their employees in order to insure an additional 7,500 New Mexicans. This will cost the state approximately \$9 million and the Governor will work with legislators to find the revenue to pay for this plan.
- Require health insurance companies to allow young adults through the age of 24 to stay on their parents' individual health insurance policies regardless of their status as students.
- Require insurance companies to offer health insurance to part time employees who work 20 hours or more if the small business desires to do so.

### **Protecting the health and safety of Children**

The Governor called upon the Legislature to join him in taking action to improve the health and quality of life of our young people by enacting the following:

- Encode the Children's Cabinet in statute. Spearheaded by the Lieutenant Governor, the Children's Cabinet assembles 11 public agencies to streamline processes and maximize resources in order to meet the health, education and growth needs for New Mexico's children
- Invest \$1 million in an immunization registry with the Department of Health so that children's shot records will have one central location accessible to all providers. First Lady Barbara Richardson is spearheading the state's immunization efforts, which in two years have improved New Mexico's ranking on immunizations from 49<sup>th</sup> to 44<sup>th</sup>.
- Ensure that children, particularly those who are victims of abuse and neglect receive the services and protection they need, by amending the Children's code to toughen the screening process for employees who work with children and for those who wish to become foster parents or adopt children.
- Help children develop healthy eating habits at a young age. Beverage and food vendors who do business with the public schools will be required to pay a fee to sell their products, and be required to provide healthy choices – low fat food and drinks composed of real fruit juices for example – to children. This fee will generate an estimated 4 million dollars that will go into a Department of Health fund to promote children's health.
- Invest approximately \$1 million to expand access to Telehealth technology to ensure that rural communities have immediate access to cutting-edge diagnosis

and care, and create a Telehealth Commission to further develop opportunities in this area.

### **Seniors and Developmentally Disabled**

The Governor is proposing to create a registry to track the names of providers contracted with the Department of Health who have committed abuse, neglect or exploitation through a new Employee Misconduct Registry Act.

Other initiatives include:

- Supplementing the federal food stamp program to more than 6,000 of the poorest elderly and persons with disabilities who receive \$10 per month in food stamps and raise it to \$25 per month at a cost of \$1.3 million.

Enhance the “zero tolerance” policy regarding abuse and neglect of seniors through the proposal of \$600,000 to closely monitor nursing homes, and close down those that are substandard - public or private.