

1 A MEMORIAL

2 REQUESTING THE LEGISLATIVE FINANCE COMMITTEE TO STUDY A BASIC  
3 HEALTH PROGRAM FOR LOW-INCOME PERSONS WHO DO NOT QUALIFY FOR  
4 MEDICAID; REQUESTING THE HUMAN SERVICES DEPARTMENT AND THE  
5 NEW MEXICO OFFICE OF HEALTH CARE REFORM TO DEVELOP AN  
6 AUTOMATED ENROLLMENT SYSTEM AND APPLICATION PROCESS THAT IS  
7 CAPABLE OF INTEGRATING A BASIC HEALTH PROGRAM.

8  
9 WHEREAS, the federal Patient Protection and Affordable  
10 Care Act requires that most Americans obtain health insurance  
11 coverage by January 1, 2014; and

12 WHEREAS, individuals with incomes under four hundred  
13 percent of the poverty level will receive federal tax credits  
14 and subsidies to purchase health insurance through a health  
15 insurance exchange; and

16 WHEREAS, even with federal tax credits and subsidies,  
17 health insurance is likely to remain unaffordable for  
18 low-income families with incomes less than two hundred  
19 percent of the federal poverty level who are expected to  
20 incur premiums and out-of-pocket costs that add up to over  
21 one thousand five hundred twenty-four dollars (\$1,524) a year  
22 per individual, according to a national study; and

23 WHEREAS, a family of four with an income at one hundred  
24 fifty percent of the poverty level could incur as much as  
25 five thousand three hundred eight dollars (\$5,308) in

1 premiums, annual deductibles and inpatient, outpatient and  
2 prescription copayments before federal cost-sharing limits  
3 would prevent further expenditures; and

4 WHEREAS, the federal Patient Protection and Affordable  
5 Care Act gives states the option to establish a basic health  
6 program that can be designed to provide an affordable bridge  
7 between medicaid and private health insurance for individuals  
8 who are not eligible for medicaid and whose incomes are below  
9 two hundred percent of the federal poverty level; and

10 WHEREAS, the federal government will pay the full costs  
11 of coverage through a basic health program by paying states  
12 ninety-five percent of what the federal government would have  
13 spent for tax credits and cost-sharing subsidies if basic  
14 health program members had enrolled in the health insurance  
15 exchanges; and

16 WHEREAS, under the federal Patient Protection and  
17 Affordable Care Act, any excess federal funds must be used to  
18 expand benefits, reduce costs or otherwise improve care for  
19 basic health program enrollees; and

20 WHEREAS, according to a national study, the basic health  
21 program can be structured in New Mexico to save low-income  
22 individuals, on average, approximately one thousand three  
23 hundred twenty-one dollars (\$1,321) annually; and

24 WHEREAS, a national study estimates that seven thousand  
25 four hundred more New Mexicans under the age of sixty-five

1 would gain coverage through the basic health program who  
2 would otherwise remain uninsured; and

3 WHEREAS, a basic health program could be structured so  
4 that Native Americans have no out-of-pocket costs compared to  
5 an exchange where Native Americans would be required to pay a  
6 portion of the premiums; and

7 WHEREAS, a national study estimates an annual savings of  
8 over two million seven hundred thousand dollars (\$2,700,000)  
9 to New Mexico if the state provides coverage under the basic  
10 health program to individuals who are currently covered under  
11 the state coverage insurance program; and

12 WHEREAS, ensuring that more New Mexicans have health  
13 insurance coverage would result in fewer cases of  
14 uncompensated care and in a healthier and more productive New  
15 Mexico;

16 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE  
17 STATE OF NEW MEXICO that the legislative finance committee be  
18 requested to conduct a study to determine the feasibility and  
19 financial impacts of implementing a basic health program in  
20 the state to cover eligible individuals with low incomes who  
21 do not qualify for medicaid; and

22 BE IT FURTHER RESOLVED that, in conducting its basic  
23 health program study, the legislative finance committee  
24 solicit and consider comments from the governor, the  
25 secretary of human services and stakeholders. Stakeholders

1 would include: persons with low incomes; small employers;  
2 representatives of federally recognized Indian nations,  
3 tribes or pueblos; off-reservation Native Americans; and  
4 organizations that represent people with disabilities, women,  
5 the elderly and low-income families; and

6 BE IT FURTHER RESOLVED that the legislative finance  
7 committee's study address the affordability of health care  
8 coverage for low-income populations earning between one  
9 hundred thirty-three percent and two hundred percent of the  
10 federal poverty level, including the effect of increases or  
11 reductions in premium levels and cost sharing on coverage;  
12 and

13 BE IT FURTHER RESOLVED that the legislative finance  
14 committee's study address out-of-pocket and premium costs for  
15 Native Americans and the impact on coverage if these costs  
16 were eliminated; and

17 BE IT FURTHER RESOLVED that the legislative finance  
18 committee study options for making basic health program  
19 coverage contiguous with medicaid coverage to ensure a  
20 seamless transfer for individuals who move between medicaid  
21 and basic health program coverage; and

22 BE IT FURTHER RESOLVED that the legislative finance  
23 committee study the impact of a basic health program on any  
24 health insurance exchange established in New Mexico,  
25 considering factors such as rate-setting rules and risk

1 adjustment processes for the exchange, and the risk of  
2 adverse selection to the exchange; and

3 BE IT FURTHER RESOLVED that the human services  
4 department and the New Mexico office of health care reform be  
5 requested to develop an automated enrollment system and  
6 application process for medicaid and the exchange capable of  
7 integrating the basic health program if the program is  
8 established at a later time; and

9 BE IT FURTHER RESOLVED that copies of this memorial be  
10 transmitted to the governor, the secretary of human services,  
11 the legislative finance committee and the New Mexico office of  
12 health care reform.

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