
Medicaid Buy-In

— Legislative Health and Human Services —

8/23/18

“We are all equal in deserving health care.”



Alfonso Yazzie, NM Together for Healthcare Leader, Yah-ta-hey, New Mexico



The Medicaid Buy-In has policy support from state and national experts



National experts
conducting study and
analysis to explore
Medicaid buy-in
opportunities in NM and
other states

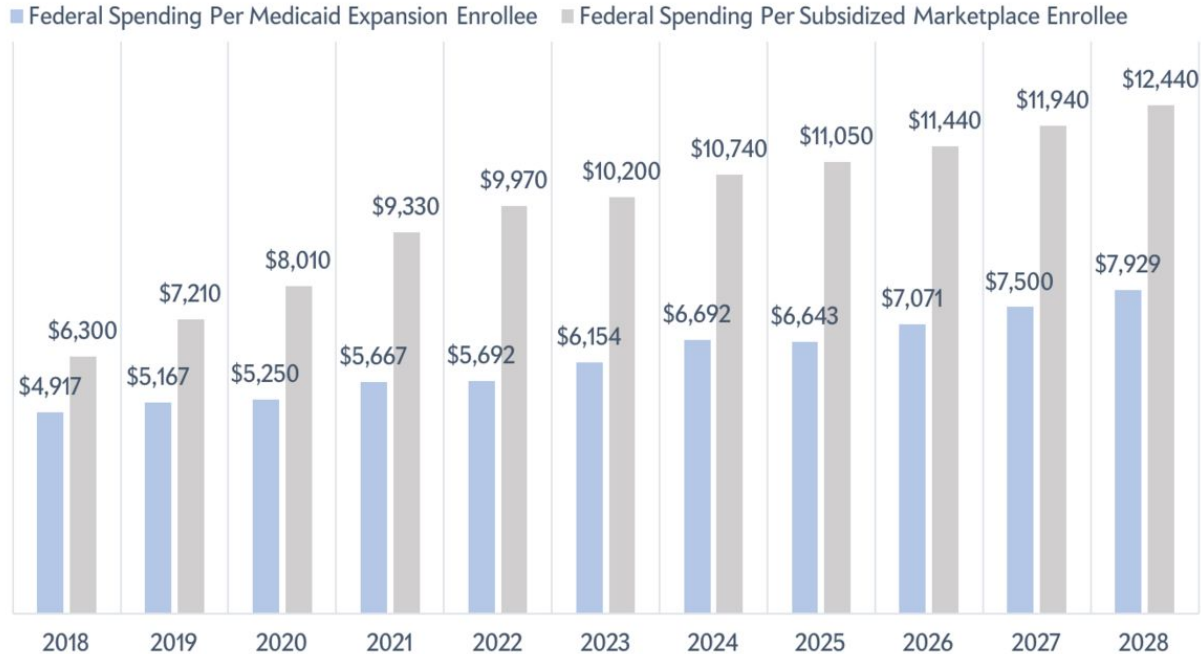


Technical Assistance Network

NMT4HC is working with a broad array of NM and national experts to develop a Medicaid buy-in program that works best for NM.

The Big Picture

It's cheaper to enroll Americans in Medicaid than it is to subsidize their private insurance



Source: Congressional Budget Office, "Federal Subsidies for Health Insurance Coverage for People Under Age 65: Tables from CBO's Spring 2018 Projections," Author's Calculations.

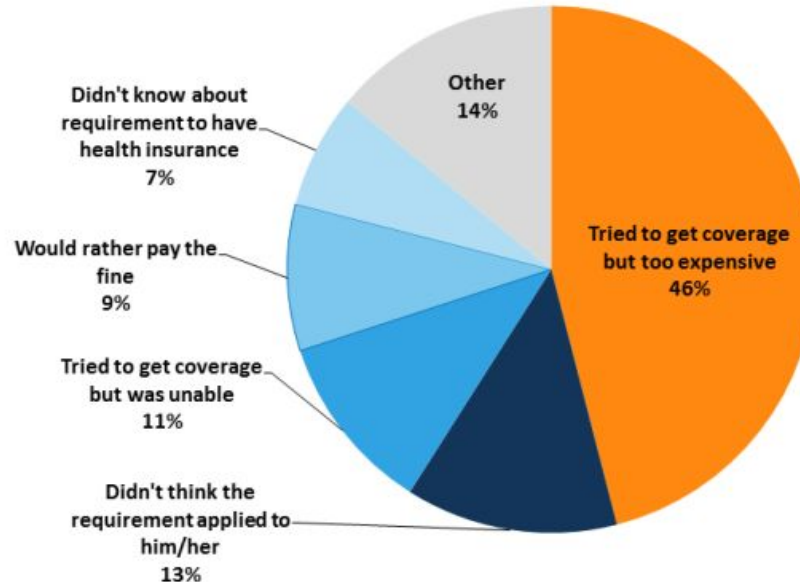
Affordability: Base Cost of Coverage in NM

Type of Insurance	Monthly Costs	Average Annual Deductible
Employer-Sponsored Insurance	\$480 employer + employee contribution	\$1,461
Lowest-cost Marketplace Silver	\$388 unsubsidized premium	\$5,000
Medicaid Expansion	\$383 per person per month	\$0

People say costs are the main reason they don't have coverage

Primary Reason for Being Uninsured Among Uninsured Nonelderly Adults, 2015

Share who say the primary reason they are uninsured is because they:

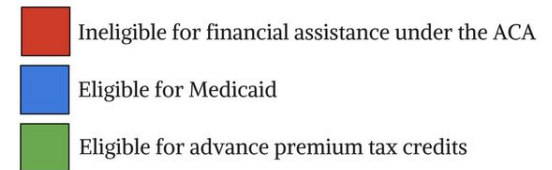
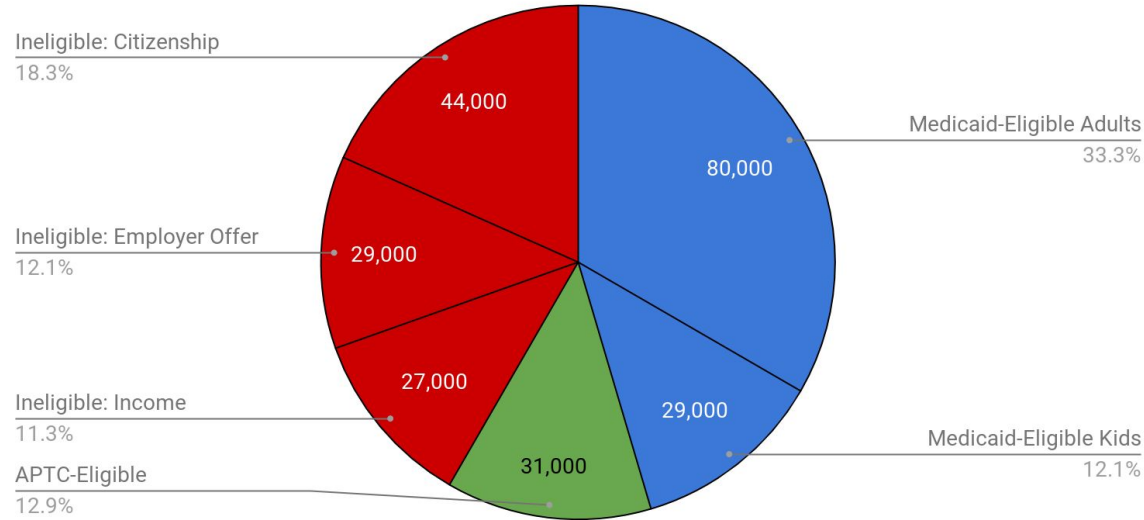


NOTE: "Other" includes respondents who said the primary reason was "some other reason", respondents in the process of signing up for insurance, and respondents who didn't know/refused to respond.

SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted December 1-7, 2015)

The remaining uninsured in New Mexico

The Remaining Uninsured in New Mexico: Eligibility for Financial Assistance (2016)



Source: 1) [Kaiser Family Foundation](#), 2) [Kaiser Family Foundation](#) (to estimate child/adult Medicaid eligibility)

What is the Medicaid buy-in?

A **Medicaid buy-in** would allow people in NM who are not eligible for Medicaid to **use their own dollars and tax credits** to purchase Medicaid coverage.



Goals for a Medicaid Buy-In

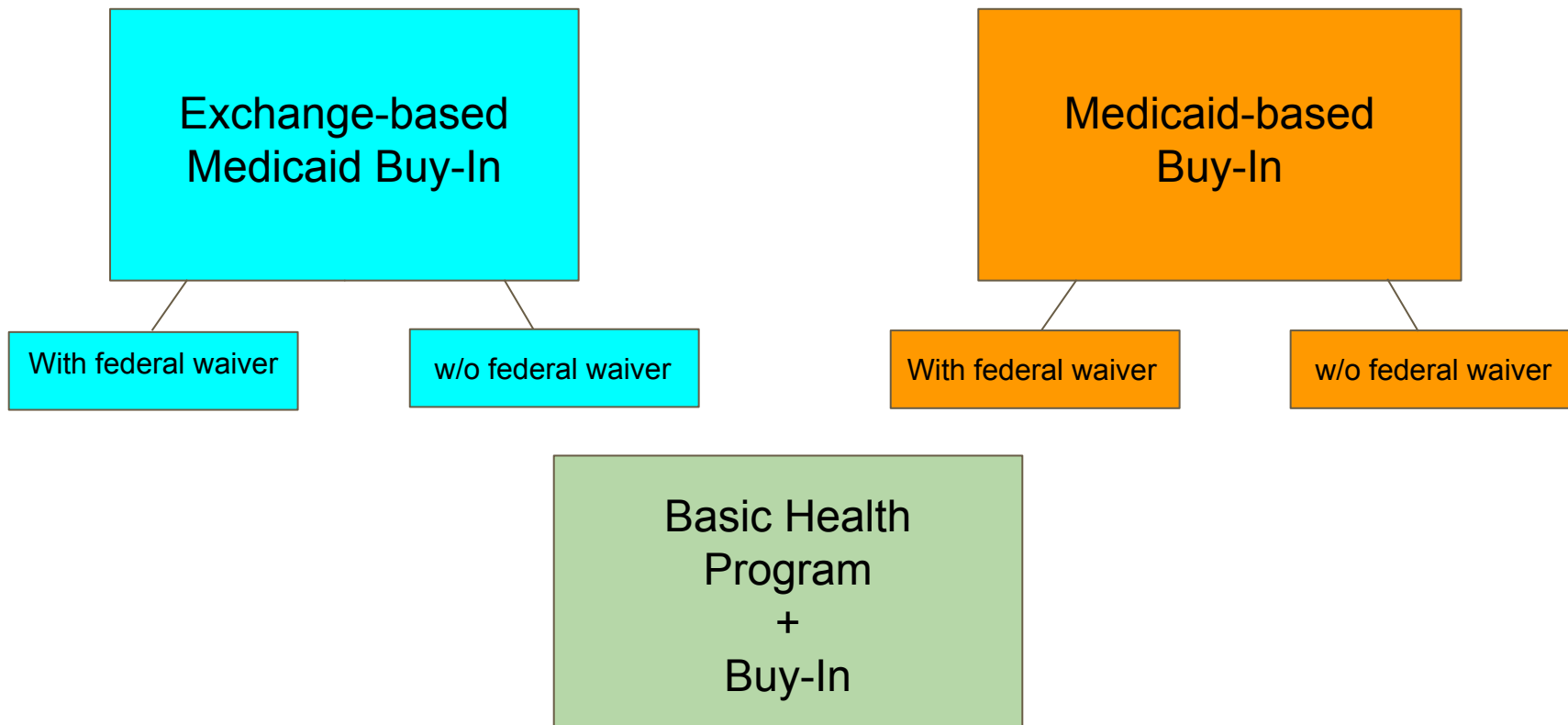
- Increase the number of people with health coverage
- Offer a quality, affordable health coverage option
- Strengthen the state Medicaid program
- Simplify our current fragmented coverage system
- Leverage and maximize federal funding

Why Medicaid?

- Medicaid covers more benefits at a lower cost than private insurance.
- Medicaid is a trusted program that has served New Mexico for 50 years.
- Medicaid already covers over 40% of people in New Mexico.
- Medicaid Buy-In option is gaining support nationally



Medicaid buy-in study



Key issues to be determined in study

- Which model will work best for New Mexico?
- Who will sign up for the Medicaid buy-in?
- How will premiums be determined?
- What is the benefits package?
- What is the impact on healthcare providers?
- Which federal waivers does NM need to pursue?
- Will there be costs to the state?
- What other policies can improve the Medicaid buy-in option?

Medicaid buy-in study

- **Affordability**

- Premiums and cost sharing based on income
- Use federal waivers to limit how much people pay

- **Eligibility**

- Will depend on feasibility of each model
- Some models will be targeted on the remaining uninsured and lower income individuals
- Some models will consider broader eligibility

- **Benefits package**

- ACA created 10 essential health benefits
- Medicaid offers additional benefits that could be included in a Medicaid buy-in plan

Medicaid buy-in study

- **Impact on providers**

- Increased enrollment = lower uncompensated care
- Lower deductibles = less bad debt
- To prepare for the Medicaid buy-in, the state should consider restoring and enhancing provider reimbursement rates that were cut in 2016
 - There are options under consideration that would not impact the general fund

- **Potential leveraging and maximization of federal financing**

- State Innovation Waivers (Section 1332 of the ACA)
- Basic Health Program (Section 1331 of the ACA)
- Medicaid Demonstration Waiver (1115 Waiver)

Stakeholder Engagement Process

June to mid-July 2018 - NM Together for Healthcare gathering input to support Legislative Health and Human Services (LHHS) Committee with stakeholder engagement.

Mid-July to October - Opportunities to participate in roundtable discussions, convenings, work groups, etc.



Questions?