



New Mexico Easy Enrollment Program

**Creating an Option to Enroll in Health Insurance
through the Income Tax System**

Introduction

A simple solution to a persistent problem.

Estimates consistently report that over 50% of uninsured New Mexicans qualify for free or discounted coverage.

Current data estimates 214,000 New Mexicans are currently uninsured, and 113,000 people in our state have access to affordable health coverage but are not signing up.

Easy Enrollment can reach this population.

The Concept

Easy Enrollment uses the information provided on the income tax form to connect people with the insurance they qualify for.

With a simple check box releasing relevant information to Medicaid and the Health Insurance Exchange (beWellNM), tax filers will receive an eligibility assessment outlining what they qualify for and a simple way to enroll.

Who's been involved?

- **Health Action NM**
- **Office of the Superintendent of Insurance**
- **Human Services Department**
- **Families USA**
- **BeWellNM (NM Health Insurance Exchange)**
- **Tax and Revenue Department**

Why the income tax system?

The income tax system:

- **Reaches a large proportion of our target population¹**
 - About 60% of Medicaid-eligible adults, 70% of Medicaid-eligible children, 88% of those who qualify for discounts on the Exchange
- **Provides most of the data needed to assess eligibility:**
 - Income level to verify eligibility threshold
 - Social security numbers to verify citizenship

1. Options for improving coverage and affordability in New Mexico—Stan Dorn, Director of the National Center for Coverage Innovation at Families USA

3 Easy Steps

Step 1:

Check the Box

on the income tax form to release relevant information to Medicaid and the Exchange



Step 2:

Eligibility Assessment

for Medicaid first (HSD), then Exchange coverage. The tax filer may need to provide additional information.



Step 3:

Get Enrolled

through a simplified enrollment process, or automatically into free coverage if desired.



Additions to Income Tax Form

NM Tax and Revenue will add several check boxes to the standard income tax form to ascertain:

1. Who in the household is uninsured
2. Consent to release relevant information for those marked uninsured
3. Consent to automatically enroll those eligible for no-cost coverage

Check Boxes – Sample Language



Please use the information on this form to determine eligibility for Medicaid or other no-cost/discounted health coverage on the Exchange for anyone marked as “uninsured”



*If any of us marked as “uninsured” qualify for **no-cost** coverage, please automatically enroll the eligible individual(s) in that coverage*

Eligibility Assessment

HSD's Medicaid system will check for eligibility first.



If ineligible for Medicaid, the case will be transferred to the Exchange. The Exchange will also check if the filer qualifies for discounts.



If eligible for neither, tax filer will receive information on the New Mexico Medical Insurance Pool.

Eligibility Assessment

Additional information will be required from most filers – attestation for Medicaid, tobacco use for Exchange coverage, etc.

For anyone filing electronically, this will happen in real time as much as possible – a link will appear to take the filer to webpages where they can provide the additional information

Enrollment Process

- The tax filer will receive information on what they qualify for and a simplified enrollment method.
- Anyone eligible for coverage on the Exchange will have a special enrollment period to sign up.
- Those who requested auto-enrollment will have an opt-out period and an opportunity to buy into higher-level coverage.

Easy Enrollment in Maryland

First state to pass an Easy Enrollment bill and is implementing the program in 3 phases.

- I. Information release on income tax form, eligibility assessment, and simplified enrollment process
- II. Electronic integration for real-time eligibility assessment
- III. Automatic enrollment option via release on income tax form

Early Success in Maryland²

- **Over 56,000 tax filers checked the box** to request information in the first phase
- **About 3,560 enrolled** (75% on Medicaid, and 40% young people)
- **COVID crisis affected enrollment numbers** – Maryland created a special enrollment period
- **Numbers are likely to be significantly higher in coming years after the pandemic and with all phases in place**

2. Joint Chairman's Report: Impact of Maryland Easy Enrollment Health Insurance Program—Maryland Health Benefit Exchange

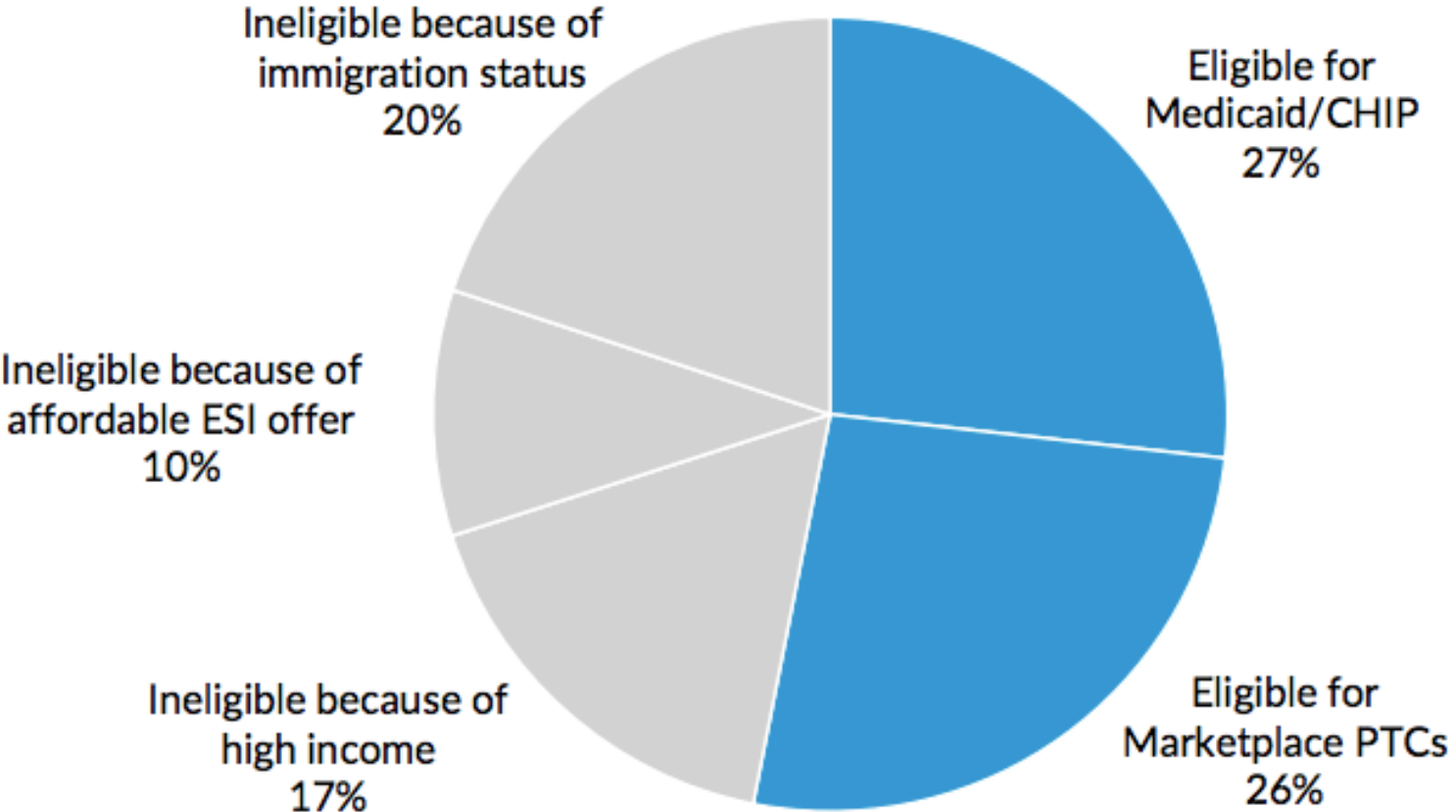
Projected Impact in New Mexico

- 214,000 uninsured in New Mexico³
- 57,000 (27%) eligible for Medicaid or CHIP³
- 56,000 (26%) eligible for discounts on the Exchange³
- 16.5% interest among uninsured in Maryland

Assuming same rate of interest in NM, we can expect at least 35,000 to check the box, and likely more.

3. Updated Estimates of the New Mexico Uninsured and Health Care Reform Options to Expand Marketplace Coverage and Improve Affordability—Urban Institute

Eligibility for Assistance among the 214,000 New Mexicans Projected to Be Uninsured over the Last Three Quarters of 2020



URBAN INSTITUTE

Source: Urban Institute Health Insurance Policy Simulation Model, 2020.

Notes: CHIP is Children's Health Insurance Program. PTCs are premium tax credits. ESI is employer-sponsored insurance.

Projected Impact in New Mexico

- ✓ **Revenue neutral**
- ✓ **Easy to implement, significant potential effect**
- ✓ **Rounds out our efforts – affordability is often our focus, but Easy Enrollment engages those that already qualify for affordable coverage**

Next Steps

- Meeting with insurance carriers
- Work with tax preparers on integration into electronic forms
- Seek endorsement from LHHS committee
- Identify co-sponsor, Senate sponsors, and other legislative champions
- After session, work with TRD, HSD, and the Exchange to support effective implementation

A bill draft is available to the committee or any members interested in sponsoring.

Thank you, and we hope you consider extending an endorsement for this legislation.

