

Health Insurance Exchange Update

Interim Health & Human Services Committee
South Valley Health Commons 10/5/11



Dan Derksen M.D., Director
New Mexico Office of Health Care Reform



Priorities Office of Health Care Reform

- Control Cost Growth
- Improve Access & Quality
- Modernize Medicaid
- Establish Health Insurance Exchange
- Assure an Adequate Health Work Force



Payer Source – Health Insurance in NM

Payer Source	# New Mexicans
Medicaid	550,000
Uninsured	450,000
Medicare	300,000
Other Public	150,000
CHAMPUS Tricare	50,000
Subtotal Public	1,500,000
Total Pop. NM	2,000,000



Starting in 2014 in New Mexico

135,000 uninsured New Mexicans will get health insurance (80,000 through expansion of Medicaid and 55,000 in the NMHIX)

By 2020, up to:

- 175,000 will be insured via Medicaid expansion
- 250,000 will be insured in the NMHIX

This will increase health system demand by 25-30%



New Mexico Health Insurance Coverage 2011 vs. 2014
 Adapted by New Mexico Office of Health Care Reform

	BCBS	LHP	Molina	PHP	United	Amerigroup	Other	2011 Total	2014
Medicaid Salud	24,000	79,000	72,000	155,000	0	0		330,000	430,000
Medicaid CoLTS	0	0	0	0	19,000	20,000		39,000	40,000
(Medicaid) SCI	0	12,000	16,000	14,000	0	0		42,000	0
Medicaid Other	0	0	0	0	0	0		139,000	150,000
Medicaid Expansion	0	0	0	0	0	0		0	80,000
Medicaid Totals	24,000	91,000	88,000	169,000	19,000	20,000		550,000	700,000
Uninsured	0	0	0	0	0	0		430,000	350,000
CHAMPUS / TriWest	0	0	0	0	0	0		60,000	65,000
Medicare Advantage	5,000	29,000	1,000	32,000	13,000	0		80,000	85,000
Medicare Other	0	0	0	0	0	0		220,000	230,000
Commercial Insurance	363,000	95,000	0	206,000	150,000	0	36,000	850,000	855,000
NMHIX Individual									20,000
NMHIX SHOP									35,000
Subtotals	392,000	215,000	89,000	407,000	182,000	20,000			
TOTAL								2,190,000	2,340,000

BCBS - BlueCross BlueShield of New Mexico; LHP - Lovelace Health Plan

PHP - Presbyterian Health Plan; United CoLTS - Evercare; CoLTS - Coordination of Long Term Care Services

Medicaid Other - includes non-Salud Native Americans, newly enrolled but not yet assigned to Salud, presumptive eligibility, others.



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HIX Timelines

- Proposed rule released 7/15/11
- **Establishment Grant Due: 9/30/11**
- Comments on HIX proposed rule due: 10/31/11
- Legislative Session Starts: 1/17/12 (12/15/11 pre-filing)
- CMS Certifies NMHIX “ability to operate” 1/1/13
- Operate HIX by 1/1/14 (begin enrolling 10/31/13)
- Self-sustaining by 1/1/15

Proposed rule at: <http://www.gpo.gov/fdsys/pkg/FR-2011-07-15/pdf/2011-17610.pdf>

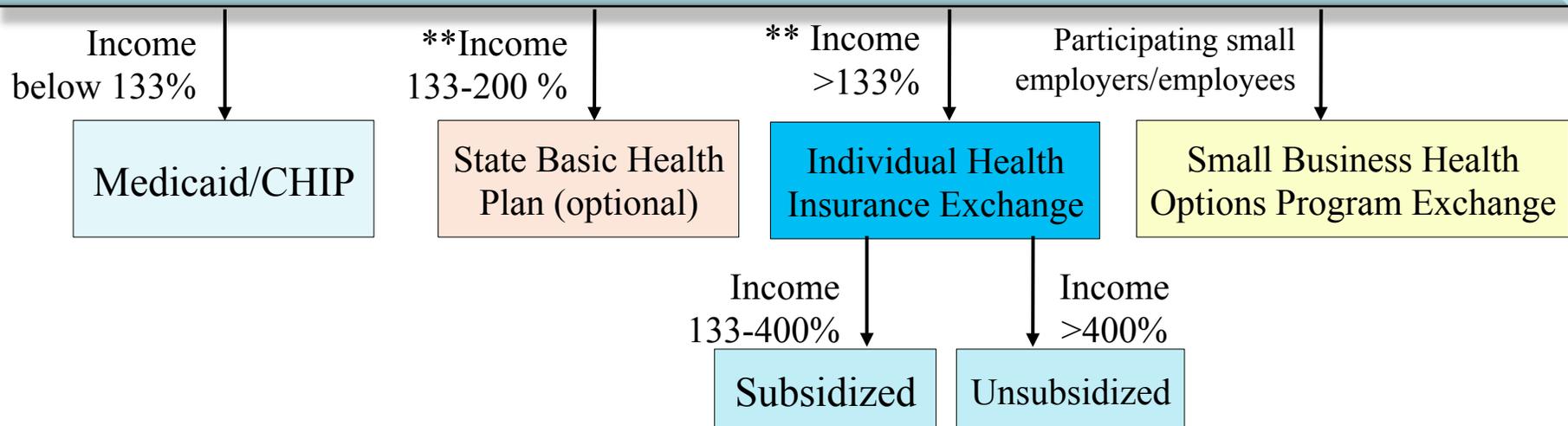


ACA Health Insurance Exchange - Requirements

State	<ul style="list-style-type: none">• Establishes HIX for individuals, small businesses to purchase insurance• Provides tax credits for <400% FPL for insurance; limits out-of-pocket costs• Offers plan choices - Bronze, Silver, Gold, Platinum, catastrophic• Starts January 1, 2014
Federal	<ul style="list-style-type: none">• Establishes the HIX (if the state does not), rules, standards, protocols• Lists insurance options available by state• Creates interim high risk pools• Pays advanced tax credits directly to Qualified Health Plan• Determines sliding scale cost sharing• Creates Federal Data Services Hub (HHS, IRS, SSA, DHS)
Medicaid Coordination	<ul style="list-style-type: none">• Screens for Medicaid/CHIP eligibility• Establishes a single application format for Medicaid/CHIP and HIX• Creates seamless portability - Medicaid, subsidized and un-subsidized plans



Integrate Screening, Eligibility, Enrollment

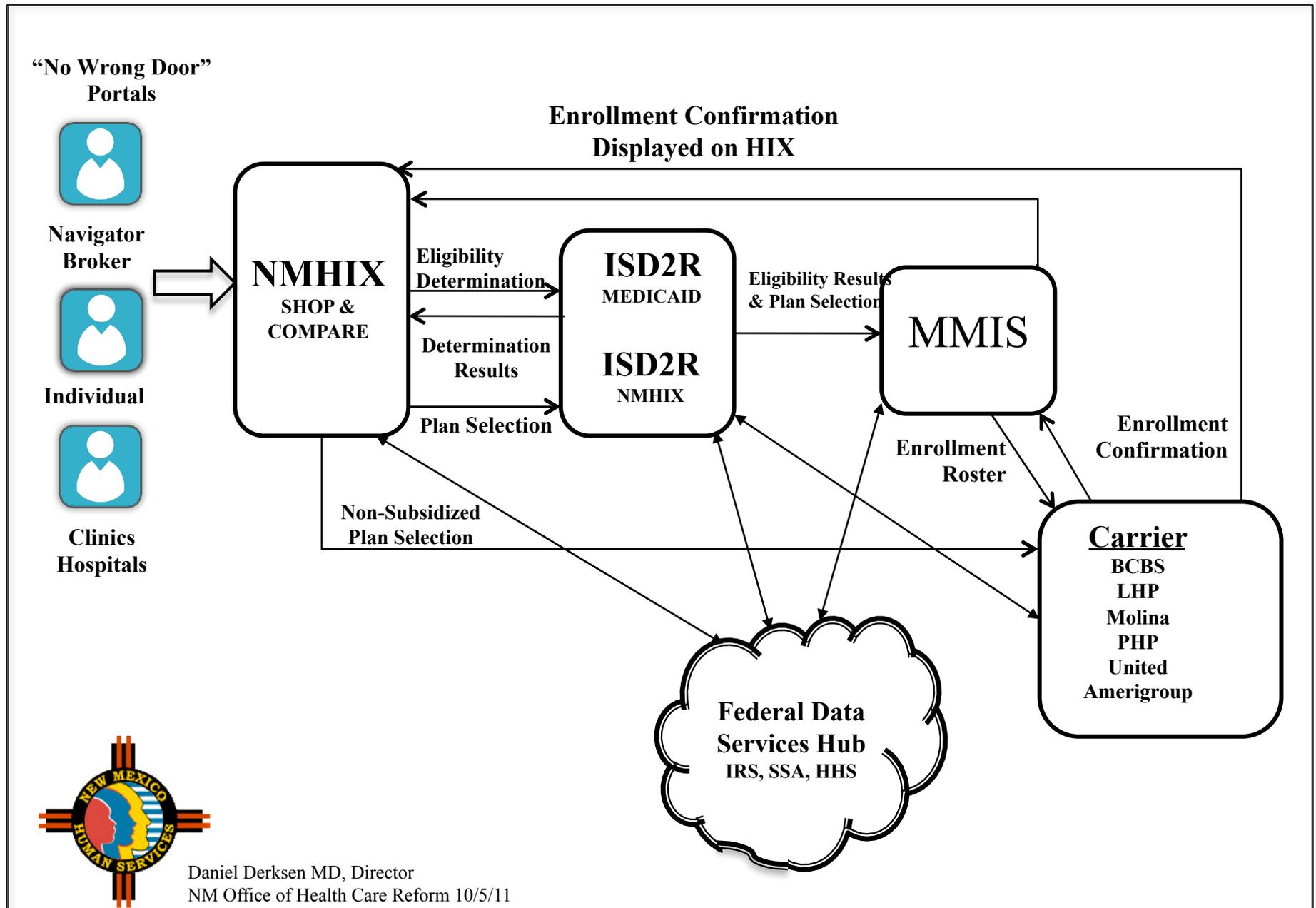


- Streamline application - phone, paper, online and assisted channels
- Integrate screening, choice, coordination, eligibility, enrollment
- Align systems to support health plan selection, payment aggregation
- Perform cost/benefit analysis to determine feasibility of creating Basic health plan

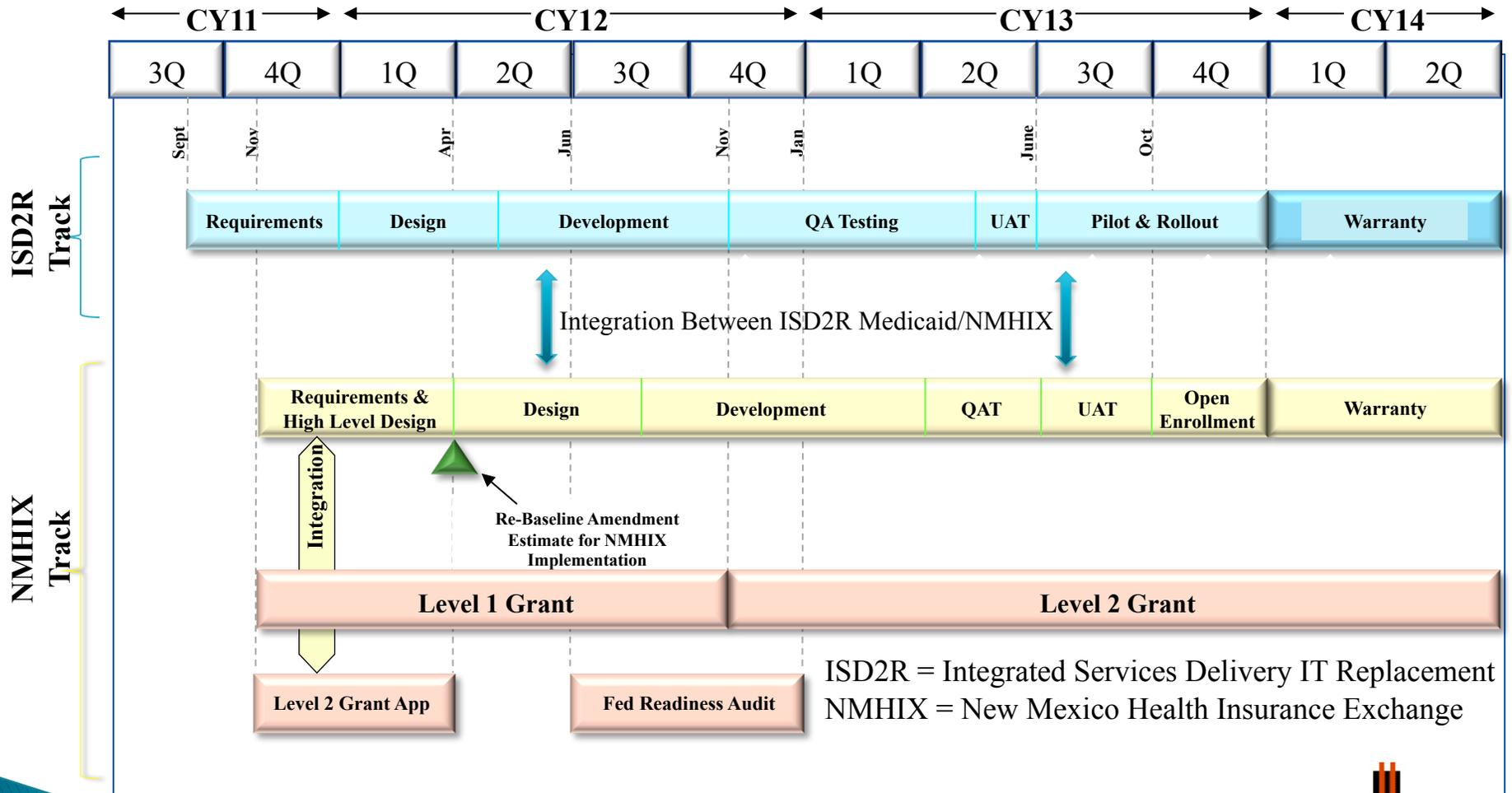
** Permits States to expand or retain Medicaid to individuals above 133%



IT Interfaces for NMHIX, Medicaid, Federal Data Hub



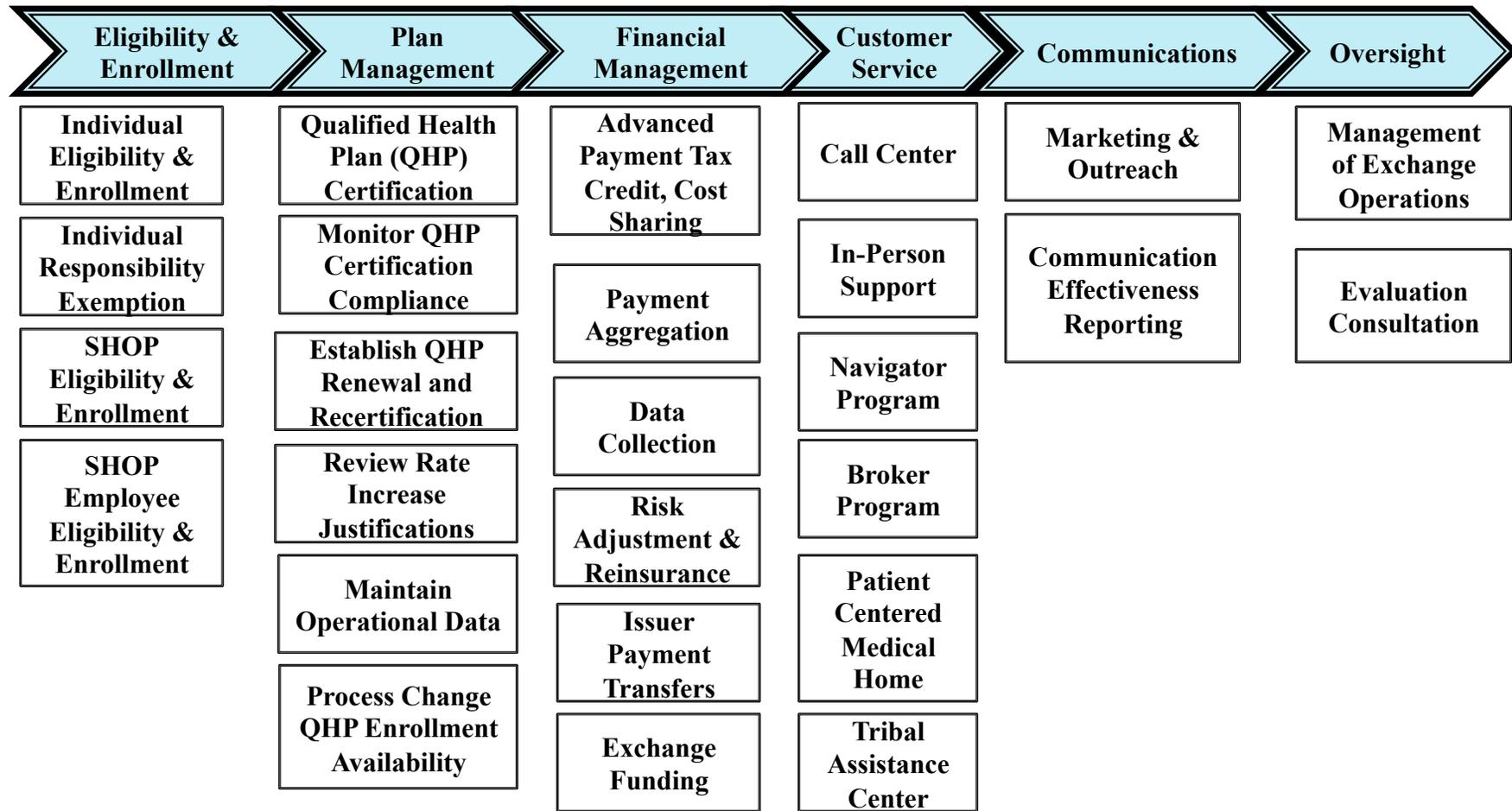
ISD2R & HIX Parallel Track Approach



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NMHIX Business Functions



New Mexico's Primary Care Shortage Numbers *and* Distribution Problems

NM has a shortage of 400 FTE PCPs

Distribution:

3,100 FTE clinically active physicians

1,500 (48%) practice in Bernalillo County (which has 31% of NM's population)

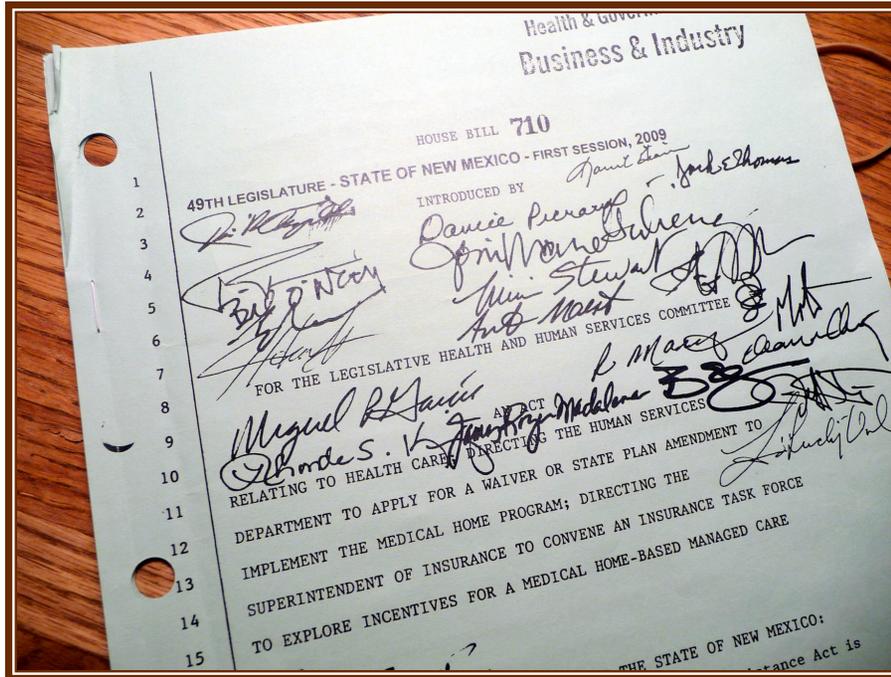


Health Care Work Force SB 14

- Signed by Gov. Martinez 4/8/11
- Data collected at time of licensure
- Health Profession Shortage Area (HPSA), Medically Underserved Area/Population (MUA/P) changing
- HPSA/MUA/P scoring affects 38 federal programs (ex. National Health Service Corps loans and scholarships)



Patient Centered Medical Home



Medical Home Pilots

Medicaid

CHIP

SCI



Patients

Office Staff

Physicians, Providers

Community

Improved
Outcomes

Vision 2020

CMS Released Comprehensive Primary Care Initiative – Letter of Intent Due 11/15/11 – Public and Private Payers Eligible

Practice
Organization
Coordinated
Care (ACO)

Meaningful
Use of EHR
Medicare, Medicaid

Performance
Measurement
Public Reporting
RWJ AF4Q

Patient
Experience
Press Ganey

Primary Care



Affordable Care Act



In 2014:

- Taxes individuals without coverage 2.5% of household income or \$695 - \$2,085 yr
- Taxes businesses >50 employees w/o insurance \$2000/fte
- Requires guaranteed issue, adjusted community rating



Constitutional?

THE WALL STREET JOURNAL.

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WSJ.com

Justice Department to Seek Supreme Court Review of Health Care Overhaul

9/28/11 The department's petition to the high court comes more than a month before its due date and further increases the chances that the justices will agree to consider the law during their coming term, which begins next week and runs through June 2012.



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