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SENATE MEMORIAL 3

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

Gerald Ortiz y Pino

A MEMORIAL

REQUESTING THE NEW MEXICO LEGISLATIVE COUNCIL TO CHARGE THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE WITH EXPLORING THE POLICY AND FISCAL IMPLICATIONS OF OFFERING A MEDICAID BUY-IN PLAN TO NEW MEXICO RESIDENTS TO INCREASE LOW-COST HEALTH CARE COVERAGE OPTIONS; REQUESTING THE OFFICE OF SUPERINTENDENT OF INSURANCE, THE HUMAN SERVICES DEPARTMENT AND OTHER HEALTH-RELATED AGENCIES AND ENTITIES TO PROVIDE HEALTH PLAN COST AND COVERAGE INFORMATION TO THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE.

WHEREAS, everyone in New Mexico deserves access to affordable, high-quality health care coverage for the well-being of families and economic prosperity; and

WHEREAS, New Mexico made tremendous gains in health care coverage through the federal Patient Protection and Affordable

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1 Care Act, primarily by expanding medicaid coverage to more than
2 two hundred fifty thousand low-income adults; and

3 WHEREAS, more than one hundred eighty thousand New
4 Mexicans still do not have health insurance; and

5 WHEREAS, the majority of people who remain uninsured earn
6 incomes less than two hundred percent of the federal poverty
7 level and many work in jobs that do not provide health
8 insurance; and

9 WHEREAS, according to surveys by the New Mexico health
10 insurance exchange and national research groups, health
11 insurance costs are routinely cited as the number-one reason
12 why New Mexicans remain uninsured; and

13 WHEREAS, the bronze-level plans offered on the New Mexico
14 health insurance exchange have deductibles of six thousand four
15 hundred dollars (\$6,400) or more per year; and

16 WHEREAS, fifty-three percent of low-income adults who have
17 private health insurance through their employers, the
18 marketplace or individual coverage and whose incomes are below
19 two hundred percent of the federal poverty level have health
20 care costs that the commonwealth fund's health care
21 affordability index deems to be "unaffordable"; and

22 WHEREAS, New Mexicans who are uninsured or underinsured
23 must often forego needed medical services, have less access to
24 preventive care and behavioral health services and may be
25 forced to wait until medical conditions worsen into expensive

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1 and sometimes untreatable emergencies; and

2 WHEREAS, medical debt is a major obstacle for New Mexicans
3 to gain financial security and build assets. In fiscal year
4 2015, over eighty million dollars (\$80,000,000) in patient debt
5 to hospitals in the state was sent to collection agencies; and

6 WHEREAS, uncompensated health care costs are shifted to
7 health care providers, health insurance plans and taxpayers,
8 resulting in higher insurance premiums and health system costs;
9 and

10 WHEREAS, uncertainty at the federal level compels states
11 such as New Mexico to proactively explore innovative
12 opportunities and solutions to provide greater access to
13 affordable, high-quality health coverage to its residents; and

14 WHEREAS, medicaid is a popular and trusted coverage source
15 that has served New Mexico well for over fifty years; and

16 WHEREAS, medicaid is a cost-effective health coverage
17 model that provides comprehensive health benefits for lower
18 costs than private insurance plans; and

19 WHEREAS, New Mexico can allow state residents who are
20 currently not eligible for medicaid the option to buy into a
21 health coverage plan that is administered by medicaid by
22 applying for a federal innovation waiver; and

23 WHEREAS, offering a medicaid buy-in health coverage plan
24 in the state's insurance market increases choices for low-cost,
25 high-quality health plans that New Mexicans can purchase using

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1 federal tax credits and subsidies that are available to low-
2 income and middle-income households for health insurance; and

3 WHEREAS, the costs to the state of administering a
4 medicaid buy-in coverage plan are likely to be minimal by
5 realizing potential savings in health system costs and
6 maximizing federal financial subsidies available to individuals
7 to purchase insurance; and

8 WHEREAS, several states, including Nevada and
9 Massachusetts, have introduced legislation or initiated studies
10 to explore the option of offering a medicaid plan for consumers
11 to buy health coverage; and

12 WHEREAS, two bills were recently introduced in the United
13 States congress, including the State Public Option Act and the
14 Health Care Choice and Affordability Act, that would permit
15 states to provide medicaid as a buy-in coverage option for
16 their residents to purchase without the need to apply for a
17 federal waiver; and

18 WHEREAS, New Mexico is well-positioned to lead the country
19 in offering a health coverage plan to buy through medicaid,
20 with nearly three-fourths of the state's population already
21 covered by public health coverage programs, including medicaid,
22 medicare, state employee plans and military coverage;

23 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
24 OF NEW MEXICO that an opportunity to potentially lower health
25 care costs and expand affordable coverage by offering state

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1 residents who are not eligible for medicaid the choice of
2 buying into a health care coverage plan administered by
3 medicaid be recognized; and

4 BE IT FURTHER RESOLVED THAT the New Mexico legislative
5 council be requested to charge the legislative health and human
6 services committee with exploring the policy and fiscal
7 implications of offering a medicaid buy-in coverage option to
8 New Mexico residents by seeking public feedback and evaluating
9 health plan costs of private insurance compared to medicaid
10 managed care plans, administrative feasibility, the impact on
11 health care stakeholders and patients and methods to ensure
12 health care coverage is expanded to low-income, uninsured
13 residents; and

14 BE IT FURTHER RESOLVED that the office of superintendent
15 of insurance, the human services department and other state
16 agencies; the New Mexico health insurance exchange; New Mexico
17 health insurers; and health care providers be requested to
18 provide health plan cost and coverage information to the
19 legislative health and human services committee as needed; and

20 BE IT FURTHER RESOLVED that copies of this memorial be
21 transmitted to the governor, the president pro tempore of the
22 senate, the speaker of the house of representatives, the chair
23 and vice chair of the legislative health and human services
24 committee, the superintendent of insurance, the secretary of
25 human services and the executive director of the New Mexico

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1 health insurance exchange.

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