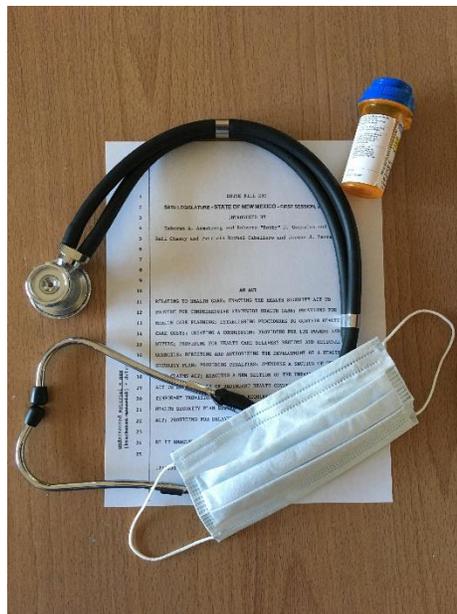


A Brief Summary of the Health Security Act

The **Health Security Act** will enable our state to create its own health plan that covers almost all New Mexicans.

Private insurance will play a secondary role, able to offer supplemental policies.



➤ Who's covered?

Most New Mexicans.

Two groups are excluded:

- Military and military retirees (and their families).
- Federal retirees.

Two groups can voluntarily join:

- Tribes, as sovereign nations.
- Companies and unions that self-insure and come under a federal law called ERISA.

Thus, everyone in New Mexico will have coverage, but not everyone will be covered by the Health Security Plan.

A note about Medicare:

In order for **Medicare recipients** to be included in the Plan, agreements will need to be reached with the federal government to safeguard recipients' rights. Negotiations will also need to be undertaken regarding Medicare supplements (whether from a former employer or purchased individually) so that retirees do not lose any benefits they are entitled to.

For these reasons, Medicare recipients might not be included in the Plan right away.

➤ **What does the Plan cover?**

- Coverage can be no less than the comprehensive set of services currently offered to NM state employees, which includes behavioral health care.

Services are the care that the Plan covers (preventive care, hospital care, etc.), not the out-of-pocket costs (premiums, deductibles, copays, coinsurance).

➤ **What health care providers are included?**

- For Plan members, there is freedom of choice of provider and health facility. *No more networks!*
- Choice includes providers and health facilities across state lines.

➤ **Who pays for the Plan?**

- Existing public dollars will be used (such as Medicaid) to help pay for the cost of the Plan.
- Premiums will be based on income, with minimums and maximums.
- Employer contributions will be based on payroll and number of employees, with minimums and maximums.
- Only those who are covered by the Plan are required to pay.

➤ **How does the Plan control costs?**

The Plan is designed to control rising health care costs in a variety of ways, including the following:

- The Plan requires bulk purchasing of drugs, medical equipment, and medical supplies.
- Hospitals and clinics will have guaranteed budgets and will no longer produce pages upon pages of billing charges.
- With most New Mexicans under the Plan, the administrative burden on employers, providers, and health facilities will be reduced, lowering their costs.
- Five years after Health Security begins operations, the administrative costs for the Plan itself will be limited to 5% of its budget.

➤ **Who administers the Plan?**

- A 15-member citizens commission representing provider/health facility interests and consumer and business interests. No elected officials, no cabinet secretaries, and no one from the insurance industry can serve as a commissioner.
- The commission must reflect geographical diversity, with most commissioners coming from outside of Albuquerque and Santa Fe.
- Commissioners must receive their health coverage through the Plan.
- The commission will have a staff.
- Meetings are open to the public, and its account books are public. The commission must abide by the State Rules Act. Decisions will not be made behind closed doors.