

# Presentation to the Legislative Health and Human Services Committee

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# OSI Activities on Coverage and Affordability

- The Health Care Affordability Fund
- beWellnm
- The Governor's Task Force on Prescription Drug Pricing
- PBM Enforcement
- Research related to Access and Affordability
- Input on the Medicaid Waiver draft
- Mental Health Parity
- Insurer Regulation

# The Health Care Affordability Fund

- To address health care affordability issues and to expand health coverage, SB 317 was passed by the Legislature and signed by Governor Lujan Grisham in April 2021.
- SB 317 created the Health Care Affordability Fund (HCAF):
  - Creates a revenue stream that funds efforts to reduce health insurance costs for individuals, families, and small businesses.
  - OSI is responsible for implementing these initiatives.
  - The legislature approved appropriations during the 2022 legislative session.



# The Small Business Health Insurance Premium Relief Initiative

- Available to small businesses with 50 or fewer full-time employees
- Reduces premiums in the ACA-compliant small group market by 10%
- Started on July 1, 2022
- \$30 million budget for FY 23
  - OSI will request a supplemental appropriation due to changes in premiums



# The Health Insurance Marketplace Affordability Program

- Available to individuals and families who qualify for beWellnm
- Covers the full premium for the Benchmark plan up to 200% FPL and reduces premiums for those between 200-400% FPL; offers \$0 options to Native Americans up to 300% FPL who qualify for beWellnm
- Reduces deductibles, max out-of-pocket limits, co-pays, and coinsurance for individuals and families up to 300% FPL
- Shopping with enhanced assistance starts November 1, 2022; coverage starts January 1, 2023
- \$28 million budget for FY 23



# Medicaid Transition Premium Relief

- Available to individuals and families who:
  - No longer qualify for Medicaid;
  - Qualify for federal premium tax credits on beWellnm; and
  - Have income at or below 400% FPL
- Covers one month of premium when the individual/family enrolls in a beWellnm plan; intended to smooth out coverage transition & effectuate coverage
- The federal COVID-19 Public Health Emergency is slated to be extended into 2023; the transitional premium relief will begin after the PHE ends
- Requires significant coordination between OSI, HSD, and beWellnm
- Budget is included in Marketplace Affordability Program



## Coverage Expansion Plan

- Program for uninsured individuals and families who don't have access to employer insurance, beWellnm, Medicaid, and Medicare
- Provides benefits, premiums, and out-of-pocket costs similar to beWellnm up to 200% FPL
- Start date in early 2024
- Budget and program details still in development
- Expected to impact about 8,000 in the first year



# Our Work with beWellnm (NMHIX)

- The OSI has actively been involved in “righting the ship” and taking the necessary steps to avoid the problems associated with the last Open Enrollment.
- The transition from a federal marketplace to a state-based exchange has not been easy. The workload was underestimated, as was the demand for coverage.
- As you will hear, positive steps have occurred. OSI has provided direct assistance and guidance. OSI facilitated the coordination of all the work associated with the upcoming Medicaid unwinding.
- Will be offering Standardized Plans next year; OSI coordinating.



# PBMs

- OSI has worked with Dr. Barbara McAneny and been a member of the Governor's Task Force on Prescription Drug Pricing.
- The Task Force report was submitted to the Governor on August 30.
- Our office and the Attorney General sent a letter to all licensed PBMs stating that we believe that they may be inappropriately practicing “spread pricing” and failing to properly display MAC prices on drugs.
- The letter asked all the PBMs to self report and offer up monies (like Centene did) before the end of September. We will report on outcome.
- We will be proposing new PBM reporting legislation in 2023.

# Access and Affordability Research

- OSI received Junior money to continue research on matters related to the Health Security Act, building on the work done last year.
- We are finalizing a contract with UNM Social Policy Center for a survey assessing barriers to coverage.
- We are doing a contract with The Urban Institute to examine extending coverage to New Mexicans through a Medicaid buy-in.
- We are releasing a RFP for a contractor to further study global budgets and the feasibility of an all-payer arrangement.
- We are working with DOH on stand-up of the All-Payer Claims Database system. Progress has been made.

# Other Activities

- We received a federal grant from CMS to study mental health parity practices of the licensed insurers in NM.
- The consultants working through the grant are also to proposed best practices.
- Facilitating work with the General Services Dept, led by Dr. Hickey and consultants engaged by OSI, to examine how health care purchasing in public programs might be improved.
- We have submitted comments and continue to weigh in on the impending Medicaid waiver to CMS.

# Health Insurance Regulation

- Requiring independent audit of network access and adequacy.
- Proposed new regulations for Dental and Vision carriers with minimum medical loss ratios
- Our Qualified Health Plan reviews resulted in plan increases significantly below the national median.
- Our new Excepted Benefit plan rules limit the possibility that such limited coverages could be marketed as comprehensive health plans
- We have reminded carriers of the obligation to cover preventive health services (including the new COVID shot) without any cost sharing to members.