NEW MEXICO MEDICAL INSURANCE POOL

Legislative Health and Human Services
September 24, 2015

Presented By:
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Executive Director

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THE "POOL"

- Legislatively created in 1987 as non-profit entity whose Purpose is:
  - "…to provide access to health insurance coverage to all residents of New Mexico who are denied adequate health insurance and are considered uninsurable."
    - Medical Insurance Pool Act [59A-54-1 NMSA 1978]
- *Quasi-Governmental Entity*
  - *Covered by Tort Claims Act*
  - *Follows Procurement Code*

GOVERNANCE and **ADMINISTRATION**

- Board of Directors (11 members)
  - Superintendent of Insurance (Chair), Insurance Reps (4), Physician, Statewide Health Planner, Consumers (2) and Community Members (2)
- Administration *By Contract per Procurement Process:*
  - Executive Office ~ Delta Consulting Group
    - Executive Director ~ Deborah Armstrong
  - Plan and Network Administrator ~ BCBSNM

FUNDING MECHANISMS

- Premiums ~ 20%
- Health Insurance Carrier Assessments ~ 80%
  - Premium Tax Credit
    - Carriers receive Tax Credit equal to approx 56% of assessment paid
  - THUS:
    - Carriers fund approx 36% *(pass on to private market)*
    - State funds approx 44% via reduced revenue

TEN-YEAR GROWTH HISTORY

YEAR	End-of-Year Membership	Losses Assessed
2005	1,864	$10,593,543
2006	2,938	$20,854,720
2007	4,734	$30,768,870
2008	6,155	$49,018,813
2009	7,764	$69,346,923
2010	8,429	$84,712,662
2011	8,442	$94,043,650
2012	8,507	$101,966,786
2013	8,680	$119,922,371
2014	5,033	$99,108,661
2015 Projected	3,062	$57,109,935

DEMOGRAPHICS & STATISTICS

- Current Enrollment: 3,388
  - Low-Income Premium Program: 2,032
- Average Age: 51 Median Age: 56
- Average Length of Enrollment: 59 months

- Medical Loss Ratio: 484%
- PMPM Cost $3,418

Statutory

ELIGIBILITY REQUIREMENTS

- Resident; and
- Rejection for Individual Comprehensive Coverage; or
- Have a Policy with Limitation/Rider/Waiver; or
- Pay Premiums Above "Qualifying Rate" (125% SRR); or
- HIPAA Eligible
  - Had 18 months of previous coverage, last of which was Group, with no gap > 95 Days

****Ineligible** if eligible for Group Ins, Medicaid, Medicare

PREMIUM RATES

- Based on AGE and DEDUCTIBLE
- Currently set at 130% of “Standard Risk Rate” (SRR)
  - SRR determined through actuarial assessment of top 5 selling individual policies on private market
  - By law, cannot be more than 150% SRR
- Low-Income Premium Program
  - Discounted premiums for those < 400% FPL

2015 PREMIUM EXAMPLES

Age	500 Deductible	1000 Deductible	2000 Deductible	5000 Deductible
0-18	$255	$233	$201	$142
25	$370	$329	$285	$199
35	$518	$454	$396	$279
45	$720	$633	$551	$386
55	$920	$808	$703	$494
64	$1,045	$921	$799	$562

LOW-INCOME PREMIUM PROGRAM

Qualifying Income Guidelines Effective 7/1/14-6/30/15

Household Size	0-199% of 2014 HHS Poverty Guidelines 75% Premium Reduction*	200-299% of 2014 HHS Poverty Guidelines 50% Premium Reduction*	300-399% of 2014 HHS Poverty Guidelines 25% Premium Reduction*
1	$23,223	$34,893	$46,563
2	$31,303	$47,033	$62,763
3	$39,382	$59,172	$78,962
4	$47,462	$71,312	$95,162
5	$55,541	$83,451	$111,361
6	$63,620	$95,590	$127,560
7	$71,700	$107,730	$143,760
8	$79,779	$119,869	$159,959

MEDICARE CARVE-OUT PLAN

- For Individuals under age 65 who have Medicare due to disabling condition
- Medicare Supplemental Plan
- $500 deductible
- Same Benefits as Standard Plan
- *NMMIP is ONLY Option for this population*
  - *Current enrollment: 683*

TRANSITION STRATEGIES

- Align coverage plan with ACA requirements and raise premium rates above all markets
- Outreach, Education and Assistance to Enroll in Medicaid or Exchange Plans
- Broker Fee to Assist Transition

NEXT STEPS

- Consider plan and/or network redesign to more closely mirror market
- Consider geographic area and smoking as factors in premium rates to more closely mirror market
- Implement process to recertify eligibility
- Take care to not overburden private market

Questions & Answers

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