NEW MEXICO HEALTH CONNECTIONS CREATING REAL VALUE AND TRUE COMPETITION FOR NEW MEXICANS
MARTIN HICKEY, MD, CEO LHHS, OCTOBER 10, 2012
(S) HEALTH

A BROKEN SYSTEM OF HEALTHCARE

- An escalating spiral
- Higher premiums
- Higher deductibles
- More bad debt
- More cost shifting
- Less coverageMore spiral
- Fee for service
- More procedures
- More capacity (cost)
- Accelerating spiral



CO-OPS - THE BASICS

- ACA Health Reform
- 3.4 Billion in loans, 50 states
- CO-OP governance (member governed & elected)
- Not for profit
- Individuals and small businesses <100
- 138%-400% federal poverty level



NMHC

- To be licensed by DOI under all applicable regulations
- Approved as a Qualified Health Plan on the Exchange
- Sold on and off the Exchange
- NCQA certified
- Statewide
- Membership 10/1/13; Insurance 1/1/14



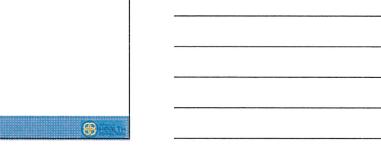
CMS OVERSIGHT

- \$6 Million startup (repay 5 years)
- \$64 million solvency/line of credit (repay 15 years)
- Quarterly milestones
- Disbursement upon achievement
- HHS OIG audits
- Weekly/Biweekly calls and review
- Coordinate with DOI
- DOI oversight license & financials
- DOI triennial review



VALUE PROPOSITIONS - TRANSPARENCY

- Not for profit
- Profits to rate reduction, benefit improvement
- No external investors
- No capital based conflicts



VALUE PROPOSITIONS - LOWER COSTS

- Eliminate waste and unnecessary care: 30%-50%
- Patient Centered Medical Home Orientation
- · Primary care quarterback
- · Care coordination investment
- Highly complex
- On-ground community based
- High-risk predictive modeling
- Hospital to home transition
- Improved health status less exposure
- Fewer costly acute interventions
- · Fewer costly hospitalizations
- More stable behavioral health



VALUE PROPOSITION - MEDICAL ANALYTICS

- High cost/High risk patient identification
- Transparency of physician improvement performance
- Quality and cost improvement via peer review
- Single data warehouse vendor
- Eventual EMR



VALE PROPOSITIONS – REVERSE INCENTIVES

- Shared savings to primary care, behavioral health
- Shared savings to high performance specialists
- Referrals (patient navigation)
- Efficient hospitals
- No longer rewarding high volume/piecework
- Enhance attractiveness of primary care



VALUE PROPOSITION — LESS UNINSURED Federally Qualified Health Centers Rural, statewide coverage Small business ready

VALUE PROPOSITION - COST CONTROL

- Patient Centered Medical Home
- High-risk (adverse selection) protection
- 3 R's no cherry picking
- Large pool development through mandate



VOLUME TO VALUE SUMMARY – FIXING HEALTHCARE

- Improving health status →
- Less acute interventions →
- Less cost, better health status!
- Primary care enhancement
- Better pay
- Better retention
- Better health through coordination

