



HUMAN SERVICES

DEPARTMENT

Presentation to the
Legislative Health and Human Services Committee
Sidonie Squier, Secretary, HSD
Milton Sanchez, Director, Office of Health Care Reform
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Discussion Topics

- ▶ Office of Health Care Reform
 - New Mexico Health Insurance Exchange (NMHIX) Update
 - Declaration Letter and Blueprint
 - Transition to Health Insurance Alliance (HIA)
 - Advisory Task Force
 - Eight Work Groups
 - Essential Health Benefits
 - System for Electronic Rate & Form Filing (SERFF) Enhancements
 - Projected Costs and Enrollment of NMHIX

NMHIX Update

- ▶ **NMHIX Declaration Letter and Blueprint**
 - U.S. Health and Human Services Department pushed back the deadline to submit declaration letters to build a State Based Health Insurance Exchange to Dec. 14, 2012
 - New Mexico's intention is to submit declaration letter and blueprint by the Dec. 14, 2012 deadline.
- ▶ **Transition to HIA**
 - NMHIX will be housed in the NM HIA
 - Existing quasi-government entity allows rapid development and implementation of the NMHIX

NMHIX Advisory Task Force

- ▶ NMHIX Advisory Task Force
 - Created to provide input and recommendations to the NM HSD regarding the design and development of the NMHIX.
 - Membership represents a diverse group of stakeholders in New Mexico
 - Met 5 times (6 tomorrow)
 - 5 meetings scheduled in 2013
 - All meeting agendas, presentations and minutes posted on HSD website at <http://www.hsd.state.nm.us/nhcr/nhcrlao.htm>.

NMHIX Advisory Task Force – Work Groups

- ▶ Work Groups – Charged with the development of recommendations to submit to-the Advisory Task Force for recommendations to HSD
 1. Essential Health Benefits (recommendations submitted Sept. 26, 2012)
 2. Outreach, Education, Adoption and Enrollment (recommendations submitted Sept. 26, 2012)
 3. Exchange Market Regulation (recommendations due in Dec. 2012)
 4. Program Integration (recommendations due in Spring 2013)
 5. Native American (recommendations due in Spring 2013)
 6. Financial Sustainability (recommendations due in Spring 2013)
 7. Employer Participation (recommendations due in Spring 2013)
 8. Legislative (recommendations due in Dec. 2012)

Essential Health Benefits

- ▶ Essential Health Benefits (EHB) – Requirement that Health Plans offer in the individual and small group markets a comprehensive package of items and services known EHBs.
 1. Ambulatory patient services,
 2. Emergency services,
 3. Hospitalization,
 4. Maternity and newborn care,
 5. Mental health and substance use disorder services,
 6. Prescription drugs,
 7. Rehabilitative and habilitative services and devices,
 8. Laboratory services,
 9. Preventive and wellness services and chronic disease management, and
 10. Pediatric services, including oral and vision care.
- ▶ Oct. 17, 2012 – The Public Regulation Commission’s Insurance Division submitted the Lovelace Classic Preferred Provider Organization small group plan as New Mexico’s EHB benchmark plan

System for Electronic Rate & Form Filing (SERFF)

- ▶ System for Electronic Rate & Form Filing (SERFF) Enhancements
 - Department of Insurance is awaiting guidance from the federal government for enhancements to SERFF for the NMHIX
 - Release moved from December 2012 to March 2013

Projected Enrollment of NMHIX

	2014	2015	2016	2017	2018	2019	2020
Hilltop Institute	52,055	96,718	106,958	118,397	127,549	134,796	141,930
Congressional Budget Office	63,020	101,331	167,361	182,893	191,240	192,287	185,913
Leavitt Partners	73,876	102,605	128,637	153,389	173,855	172,779	177,574

Projected Cost of Building a Health Insurance Exchange

- ▶ **Costs of a HIX**
 - Development
 - Implementation
 - Administration
- ▶ **Cost Projection Estimates of Implementation**
 - California estimates spending \$183 million to build a state health insurance exchange
 - Nevada estimates a spending \$72 million to build a state health insurance exchange
 - Estimated average cost of a health insurance exchange implementation is in the \$35 to \$77 million range

