

**SENATOR JEFF BINGAMAN  
HEALTH REFORM 2012**

**HEALTH REFORM TWO YEARS LATER: BENEFITS TO NEW MEXICO**

*National health care reform includes key changes that benefit New Mexico - \$168 million already received*

**More New Mexican children and young adults have health insurance**

- 26,000 young adults in New Mexico gained coverage this year due to the health reform provision that young adults may stay on their parents' insurance until their 26<sup>th</sup> birthday.
- Insurance companies are prohibited from denying coverage to the 122,000 children in New Mexico with pre-existing conditions.
- New Mexico received \$4.97 million in bonus payments for exceeding enrollment targets in the Children's Health Insurance Program in FY 2011.

**New benefits and lower costs for Medicare beneficiaries**

- Seniors and people with disabilities in New Mexico saved \$17.6 million on prescription drugs since enactment of the law.
  - In 2010, 19,957 New Mexico residents who hit the Medicare prescription drug coverage gap known as the "donut hole" received \$250 tax-free rebate, totaling \$5 million in rebate dollars.
  - In 2011, beneficiaries started receiving a 50% discount on covered brand name prescription drugs in the donut hole and 7% on generics.
  - This year, savings on generics increases to 14%, and by 2020, the donut hole will be closed. Over 22,000 New Mexicans benefit from this discount averaging \$429 - \$764 in savings.
- Pioneer Accountable Care Organization (ACO) award was awarded December, 2011 to Presbyterian Healthcare services – Central New Mexico Pioneer Accountable Care Organization. The Pioneer ACO Model is designed to support experienced organizations in providing higher quality, better coordinated care, to beneficiaries at a lower cost.

**Illness prevention and health promotion**

- Nearly all of the 320,000 Medicare beneficiaries in New Mexico can now receive preventive services – like mammograms and colonoscopies – as well as an annual wellness visit with their doctor without paying coinsurance or deductibles. Already 265,210 (83%) of them have taken advantage.
- 54 million Americans, including 285,000 New Mexicans, with private health insurance can now get preventive services with no cost-sharing.
- New Mexico has received \$9.4 million in grants to support illness prevention and public health

**New coverage options for people with pre-existing conditions**

- 1,059 New Mexicans previously uninsured due to pre-existing conditions are now covered through a new Pre-Existing Condition Insurance Plan. By 2014, insurance companies will be prohibited from discriminate based on pre-existing conditions and from dropping coverage if you get sick.

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**HEALTH REFORM TWO YEARS LATER: BENEFITS TO NEW MEXICO (CONTINUED)**

*Additional key health reform benefits for New Mexico*

**Removing limits on health benefits**

- The law bans insurance companies from imposing lifetime dollar limits on health benefits. Already, 555,000 New Mexicans, including 213,000 women and 148,000 children are free from worry about lifetime limits on coverage.
- Also, the law currently restricts, and by 2014 will ban, annual dollar limits.

**Better value for your premium dollar**

- New Mexicans with private insurance coverage are receiving greater value for their premium dollars under the health reform law's rule requiring 80% of premium dollars go to health care spending, rather than executive salaries or marketing.
- New Mexico has received \$4 million under the law to help fight unreasonable premium increases.

**Affordable Insurance Exchanges**

- New Mexico has received \$35.2 million in grants for planning, establishment and implementation of the Affordable Insurance Exchange.

**Workforce Development**

- New Mexico has received over \$1 million toward development of the primary care workforce via loan repayment and recruitment and retention programs

**Additional health care funding to New Mexico**

- **\$26.9 Million Investment in Community Health Centers.** The ACA creates new health center sites in medically underserved areas, enables health centers to increase the number of patients served, expands preventive and primary health care services, and supports major construction and renovation projects. This builds on a \$2 billion investment in health centers in the Recovery and Reinvestment Act (ARRA).
- **\$4.4 million for school-based health centers,** to help clinics expand and provide more health care services such as screenings to students.
- **\$4.7 Million in Therapeutic Discovery Project Program Tax Credits and Grants.** This program supports groundbreaking biomedical research to produce new therapies, address unmet medical needs, reduce the long-term growth of health care costs and advance the goal of curing cancer within the next 30 years. In New Mexico, this program will support projects that show significant potential to produce new and cost-saving therapies, support good jobs, and increase U.S. competitiveness.
- **\$5 million for Maternal, Infant, and Early Childhood Home Visiting Programs.** These programs bring health professionals to meet with at-risk families in their homes and connect families to provide health care, developmental services for children, early education, parenting skills, child abuse

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**HEALTH REFORM TWO YEARS LATER: BENEFITS TO NEW MEXICO (CONTINUED)**

**Additional health care funding to New Mexico**

- **\$3.5 million for School Based Health Centers** will help clinics expand and provide more health care services at New Mexico schools.
- **\$627,000 to support Aging and Disability Resource Centers**, which help seniors, people with disabilities, and their families understand and evaluate their long-term care options.
- **\$23.7 million for the Money Follows the Person demonstration program**, which provides individuals living in a nursing home or other institution new opportunities to live in the community with the services and supports they need.
- **\$350,000 for the Personal Responsibility Education Program**, which will educate young adults on the prevention of pregnancy and sexually transmitted infections.
- **\$2.6 million from the Pregnancy Assistance Fund** to provide pregnant and parenting teens and women a seamless network of supportive services to help them complete high school or postsecondary degrees and gain access to health care, child care, family housing, and other critical support.
- **\$280,700 for Family-to-Family Health Information Centers**, organizations run by and for families with children with special health care needs.
- **\$1.5 million to conduct background checks** on certain employees at long term care facilities, identifying efficient and effective procedures that will protect residents.
- **\$226,000 to Support a Consumer Assistance Program**, which are grants to help strengthen and enhance ongoing efforts in States and local communities that protect consumers from some of the worst insurance industry practices.
- **Lowering Early Retiree Coverage Costs.** Six employers in New Mexico have enrolled in the Early Retiree Reinsurance Program, and New Mexico employers have already received \$8.7 million in reimbursement. The Early Retiree Reinsurance Program provides much-needed financial relief to businesses, schools and other educational institutions, unions, State and local governments, and non-profits, in order to help retirees and their families continue to have quality, affordable health coverage.

## Health Reform: The Larger Impact on New Mexicans

\* NOTE: data presented here are taken from the Families USA report, *The Bottom Line on Health Reform: More Cash on Hand for New Mexico Families (2011)*.

When fully implemented, the Affordable Care Act will do much more for New Mexico's families than slow the cost of health care. It will actually put money in their pockets—on average, in 2019, of \$2,280 for New Mexico households earning less than \$100,000 a year.

**Table 1. Net Financial Effect of the Affordable Care Act for New Mexico Families, by Household Income, 2019**

Household income	Number of Households	Net Financial Effect per Household
\$0-\$30,000	336,400	\$3,172
\$30,000-\$50,000	140,700	\$2,300
\$50,000-\$100,000	205,200	\$809
\$100,000-\$250,000	165,200	\$575
\$250,000+	30,500	-\$3,603
<b>Total</b>	<b>877,900</b>	<b>\$1,756</b>

Previously uninsured lower- and middle-income households will receive substantial help with the cost of health care coverage (Table 2).

**Table 2. Value of Federal Assistance with Health Coverage for Previously Uninsured Households in New Mexico, by Household Income, 2019**

Household income	Number of Households	Net Financial Effect per Household
\$0-\$30,000	184,600	\$4,723
\$30,000-\$50,000	63,000	\$4,921
\$50,000-\$100,000	58,900	\$2,778
\$100,000-\$250,000	18,700	\$1,220
<b>Total</b>	<b>325,200</b>	<b>\$4,208</b>