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F I S C A L   I M P A C T   R E P O R T

SPONSOR McMillan **ORIGINAL DATE** 02/28/11 **LAST UPDATED** **HB** 584

SHORT TITLE NM Health Benefit Exchange Act **SB**

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

HB584 relates to:

- HB33/HCPACS/HHGACS/aHFL
- HB245 (Health Insurance Purchasing Cooperative),
- HB246 (Amend Health Insurance Alliance Act),
- HB257 (LFC Perform FIR on Health Care Reform Designs),
- HB323 (“Interstate Health Care Freedom Compact”),
- SB5 (Health Security Act),
- SB38 & 370/SCORCs (New Mexico Health Insurance Exchange Act)
- SB89 (Private Health Insurance Purchasing Co-Op Act),
- SB90 (Health Insurance Access for Large Employers),
- SB208 (Health Insurance Rate Increase Review),
- SB227 (Benchmark Usual & Customary Rates),
- SB386 (LFC to Conduct FIRs on Health Care Designs),
- SJR5 (State Health Care System, CA).

SOURCES OF INFORMATION

LFC Files

<u>Responses Received From</u>

Department of Health (DOH)
Health Policy Commission (HPC)
Indian Affairs Department (IAD)
Aging and Long-Term Services Department (ALTSD)
General Services Department (GSD)

SUMMARY

Synopsis of Bill

House Bill 584 (HB584) would enact the New Mexico Health Benefit Exchange Act to:

- Establish a New Mexico Health Benefit Exchange;
- Provide for a Board of Directors of the Exchange;
- Provide for powers and duties of the Exchange;
- Provide for qualified health plan certification;
- Provide for dispute resolution;
- Provide for transparency of Exchange funding and operations;
- The bill contains an emergency clause such that the New Mexico Health Benefit Exchange Act would take effect immediately.

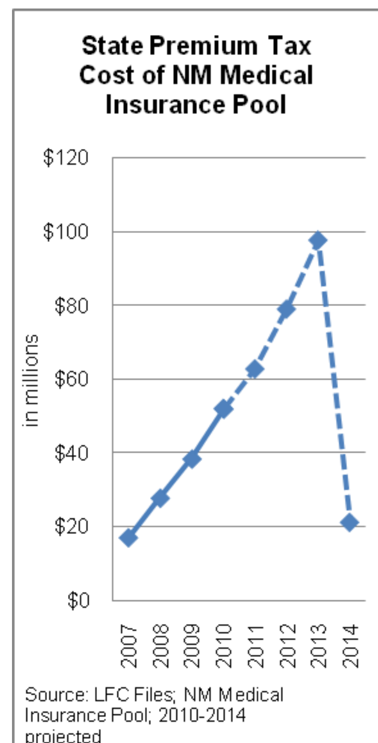
FISCAL IMPLICATIONS

HB584 would authorize the Board of Directors of the New Mexico Health Benefit Exchange to seek and receive grant funding from federal, state or local governments or private philanthropic organizations to defray the costs of operating the Exchange. The bill would further authorize the Board to generate funding, including but not limited to, charging assessments or fees, to support its operations in accordance with provisions of the New Mexico Health Benefit Exchange Act.

HB584 provides that in order to fund the planning, implementation and operation of the Exchange, the Board shall contract with the Human Services Department or any other state agency that receives funds allocated, appropriated or granted to the state for purposes of funding the planning, implementation or operation of a health benefit Exchange.

HB584 would exempt the Exchange from payment of all fees and all taxes levied by the state or any of its political subdivisions.

HB584 provides that, until the date is reached upon which federal law requires it to be self-sustaining, resources of the New Mexico Health Benefit Exchange may be provided by the New Mexico Health Insurance Alliance (NMHIA) and the New Mexico Medical Insurance Pool (NMMIP) through a cooperative agreement. The bill authorizes NMHIA and NMMIP to fund reasonably required staff and other operating expenses for the New Mexico Health Benefit Exchange through their respective existing funding mechanisms. HB584 would require, to the extent federal funding is available, the Exchange to reimburse NMHIA and NMMIP for any resources they may provide. Utilizing staff and resources of HIA and NMMIP carries an indirect general fund impact given that these entities charge assessments to commercial insurance carriers which in turn receive tax credits that have a direct negative revenue impact on the general fund.



HB584 is silent on the disposition of the premium tax credits for insurers based on the assessments by the NM Medical Insurance

Pool and the NM Health Insurance Alliance. The repeal of these tax credits would have a significant positive impact on the general fund. Similarly, a decline in the assessments, once guaranteed issue is in force and the Exchange is in place, will also increase general fund revenue.

In 2013, NMMIP programs are estimated to "cost" the state almost $100 million due to a provision that reduces premium taxes for insurers. When NMMIP's clients become eligible to purchase insurance through the Exchange in 2014, its programs will be obsolete. In 2014, the state should realize a significant increase in premium tax revenue. The Legislature likely will have to take action to eliminate the NMMIP or alter its function and repeal the premium tax credits for the NMMIP assessment.

Although not estimated here, new premium tax revenue from purchases on the Exchange will also increase revenue to the general fund.

The federal Patient Protection and Affordable Care Act of 2010 authorizes State Planning and Establishment Grants to help states establish Health Insurance Exchanges, and requires that State Exchanges to be self-sustaining. States are required to demonstrate they are capable of running an Exchange by January1, 2013.

On July 29, 2010, the Department of Health and Human Services (DHHS) issued a grant solicitation publicizing the availability of the first round of funding for the State Planning and Establishment Grants for Exchanges. These grants were up to $1 million for each State and the District of Columbia. These grants are intended to give states the resources to conduct the research and planning needed to build a better health insurance marketplace and determine how their Exchanges will be operated and governed.

The State of New Mexico has been awarded the $1,000,000 Planning and Establishment Grant and work is already underway to conduct the necessary market research and planning. The Grant is being used to:

- Develop a fiscal, actuarial and population tool based on the current environment that can provide ongoing information as adjustments are made to reflect policy decisions related to the Exchange(s).
- Assess current information technology (IT) systems and determine any Exchange IT needs;
- Gather data regarding New Mexico's current health insurance market;
- Gather input from off-reservation leaders, providers and consumers to guide the Exchange planning process.

It is anticipated that in Spring 2011 an additional grant solicitation will be released by the U.S. DHHS for Exchange implementation funds.

IT Impact. A health benefit Exchange system to support transaction tasks would be required to meet a variety of service requirements to enable processing of enrollments. This includes determining eligibility, calculating quotes, processing enrollments and payments, and communicating enrollments to carriers. It also includes Exchange administration of the activities to include website, benefit, premium collection, carrier payment, and enrollment administration. This would function across multiple computer systems at state, federal, and carrier levels.

Currently, HSD outsources certain IT aspects of Medicaid operations. These include approximately 60% health claims payment functions and the balance for member tracking, website, eligibility, etc. The current costs related to this system are split 55% for information technology and 45% for operations. Based on these splits at $12 million per year, or $1 million per month, the cost of the exchange could be estimated at $400,000 per month, or $4.8 million per year for an outsourced contractor.

The cost for a new Medicaid system averages $58 million dollars (based on a recent Medical Assistance Review of a sampling of states). Consistent with the above portions, a start up health benefit Exchange system may cost approximately $24 million (40% of the build costs of a $58 million Medicaid type system).

Other states costs range from $600,000 for a limited system in Utah to $25 million in Massachusetts. Overall, it is reported that states will spend $595 million for health Exchanges which nets out to an average $12 million per state.

In summary, while estimates are that it may cost $12 million per state for health insurance Exchanges, based on a summary comparison of similar operations in HSD, it may cost approximately $24 million to set up an Exchange with an estimated $400,000 per month operating cost. These costs will also be incurred by the Exchange and not have an impact on HSD.

SIGNIFICANT ISSUES

Section-by-Section Summary of HB584:

Section 1 provides a short title such that Sections 1 through 12 of the act may be cited as the "New Mexico Health Benefit Exchange Act".

Section 2 provides for definitions of the following terms:

- Board,
- Carrier,
- Child,
- Dependent,
- Exchange,
- Health Care Facility,
- Health Care Provider,
- Health Care Services Finance or Coverage Sector,
- Individual Market,
- Native American,
- Premium,
- Producer,
- Qualified Employer,
- Qualified Health Plan,
- Qualified Individual,
- Small Employer,
- Small Group Market, and
- Superintendent.

Section 3 would create the New Mexico Health Benefit Exchange as a nonprofit public corporation, separate and apart from the state, to provide increased access for qualified individuals and qualified employers to health insurance in the state. The Exchange would operate subject to the supervision and approval of the Board of Directors of the New Mexico Health Benefit Exchange. The Exchange would be a governmental entity for purposes of the Tort Claims Act.

Section 4 would create the Board of Directors of the New Mexico Health Benefit Exchange. The Board would consist of 11 voting members and two nonvoting members. The Governor and the New Mexico Legislative Council would each be required to appoint five voting members. The administrative head of the entity charged with administering the state's Medicaid program would be a nonvoting, ex-officio member. In addition, the Governor would be required to appoint as a nonvoting, ex-officio member the administrative head of a state entity charged with health care planning and administration. Each member of the Board would be required to have demonstrated and acknowledged expertise in at least two of the areas specified in the bill.

Section 5 provides for a Plan of Operation such that the Board would be required to submit a written Plan of Operation to the Superintendent of Insurance with any provisions necessary to ensure the fair, reasonable, equitable and self-sustaining administration of the Exchange. The bill would require that the Plan of Operation:

- Provide for the pooling of risk among the individual and small employer markets.
- Include measures to establish the Exchange as a plan administrator for qualified employers, including meeting the obligations of a plan administrator under federal law.
- Establish a "premium aggregator" as a means by which the Exchange will accept premium payments for qualified individuals from multiple sources, including:
    - Government assistance programs;
    - Contributions from a cafeteria plan established pursuant to Section 125 of the federal Internal Revenue Code of 1986, a health reimbursement arrangement or other qualified mechanisms for pretax payments established by an employer; and
    - Contributions from private sources of premium assistance.

In addition, the Plan of Operation shall:

- Establish procedures to implement the provisions of the New Mexico Health Benefit Exchange Act, consistent with state and federal law, including determination of which qualified health plans will be offered through the Exchange;
- Establish procedures for handling and accounting for the Exchange's assets and money;
- Establish regular times and meeting places for meetings of the Board;
- Establish a program to publicize the existence of the Exchange, the qualified health plans, the eligibility requirements and procedures for enrollment in an approved health plan and to maintain public awareness of the Exchange;
- Establish consumer complaint and grievance procedures for issues raised with the Exchange;
- Establish procedures for alternative dispute resolution between the Exchange and contractors or carriers;
- Establish conflict of interest policies and procedures; and
- Contain additional provisions necessary and proper for the execution of the powers and duties of the Board.

Section 6 provides for duties and reporting of the Board of Directors of the New Mexico Health Benefit Exchange such that the Board would be required to:

- Provide reports quarterly or upon request on the implementation of the Exchange between July 1, 2011 and January 1, 2014 and report annually and upon request thereafter to the Governor, the Legislative Health and Human Services Committee and the Legislative Finance Committee;
- Keep an accurate accounting of all of the activities, receipts and expenditures of the Exchange and submit this information no later than September 1 of each year to the federal Secretary of Health and Human Services and the Superintendent of Insurance;
- By or before January 1, 2012, report findings and submit recommendations on how to avoid adverse selection to the Governor, the Legislative Health and Human Services Committee, the Legislative Finance Committee and the Superintendent; and make recommendations on whether the state should enter into an Exchange with other states or share resources or responsibilities to enhance the affordability and effectiveness of the Exchange;
- By or before January 1, 2013, report to the Legislative Health and Human Services Committee and the Legislative Finance Committee its recommendations on how to implement the participation of large employers on the Exchange when federal law permits their participation, and whether to combine the large group market, the small group market and the individual market into a single risk pool;
- By or before January 1, 2014, provide legislative recommendations to the Legislative Health and Human Services Committee and the Legislative Finance Committee on whether to change the number of full-time-equivalent employees in the definition of a "small employer" from 50 to 100 before January 1, 2017. The Board shall recommend a transition plan for the Exchange and carriers to follow when changing the number of full-time-equivalent employees to 100 whether the change occurs prior to or on January 1, 2017;
- Beginning with the first year of operation in which access to health insurance coverage is provided, obtain an annual audit of the Exchange's operations from an independent certified public accountant; and
- Publish the administrative costs of the Exchange as required by state or federal law.

Section 7 provides for duties and powers of the New Mexico Health Benefit Exchange such that the Exchange would be required to:

- In accordance with the provisions of the New Mexico Health Benefit Exchange Act, create an implementation plan to demonstrate that the Exchange will be fully implemented by January 1, 2013;
- Certify and make qualified health plans available to qualified individuals and qualified employers beginning on or before January 1, 2014; and
- Implement the procedures established in the Plan of Operation created pursuant to Section 5 of the New Mexico Health Benefit Exchange Act.

Section 8 provides for certification of qualified health plans such that the Board of Directors of the New Mexico Health Benefit Exchange would be required to certify, recertify and decertify plans as qualified health plans. The bill would authorize the Board to withdraw certification of a qualified health plan only after it provides 60 days' notice to the carrier and an opportunity for hearing before the Public Regulation Commission pursuant to Section 8-8-14 NMSA 1978 and Commission rules. In addition, the Board may decline to renew the certification of any carrier at

the end of a certification term.

Section 9 provides for dispute resolution such that the Superintendent would be required to promulgate rules for resolving disputes arising from the operation of the Exchange.

Section 10 provides for funding and publication of costs of the Exchange such that the Exchange would be authorized to charge assessments or user fees to carriers, qualified employers, qualified individuals and producers or otherwise generate funding necessary to support its operations provided pursuant to the New Mexico Health Benefit Exchange Act. The Exchange would be require to publish the average costs of licensing fees and any other payments required by the Exchange, and administrative costs of the Exchange, on an internet web site to educate consumers on such costs. This information shall include information on money lost to waste, fraud and abuse. In addition, the Exchange would be designated as the entity for the state to receive any federal funds allocated, appropriated or granted to the state for the purposes of funding the planning, implementation or operation of a Health Benefit Exchange.

Section 11 provides for cooperation with the Human Services Department such that the Board would be required to cooperate with the department, or its successor in interest, to share information and facilitate transitions between the Exchange, Medicaid, the Children's Health Insurance Program or any other state pubic health coverage program.

Section 12 provides for exemption of the Exchange from payment of all fees and all taxes levied by the state or any of its political subdivisions.

Section 13 provides for Human Services Department cooperation with the New Mexico Health Benefit Exchange such that the department or its successor in interest would be required to cooperate with the Exchange to provide funding the department receives from the federal government or from other sources for the planning and establishment of the Exchange and to share information and facilitate transitions between the Exchange, Medicaid, the Children's Health Insurance Program or any other state public health coverage program.

Section 14 provides for Insurance Division Cooperation with the New Mexico Health Benefit Exchange such that the Insurance Division of the Public Regulation Commission or its successor in interest would be required to cooperate with the Exchange to share information and assist in the implementation of the functions of the Exchange.

Section 15 would amend Section 41-4-3 NMSA 1978 such that the definition of "public employee" would include an officer, employee or servant of a corporation organized pursuant to the New Mexico Health Benefit Exchange Act and to include members of the Board of Directors and staff of the New Mexico Health Benefit Exchange.

Section 16 provides a temporary provision such that the Board of Directors of the New Mexico Health Benefit Exchange would be required to meet with the Board of Directors of the New Mexico Health Insurance Alliance and the New Mexico Medical Insurance Pool by October 1, 2011 and at least quarterly thorough October 1, 2013 to:

- Provide portability of coverage for individuals covered through the New Mexico Medical Insurance pool to the extent possible through the New Mexico Health Benefit Exchange;
- Provide for the transition of other functions of the New Mexico Health Insurance Alliance to the New Mexico Health Benefit Exchange as permitted by law; and

- Prepare a report to the First Session of the Fifty-First Legislature on the transition of functions of the New Mexico Health Insurance Alliance and the New Mexico Medical Insurance Pool to the New Mexico Health Benefit Exchange and on any recommendations to the legislature for continued and expanded health coverage of the state's residents.

Section 17 provides a severability clause such that if any part or application of the New Mexico Health Benefit Exchange Act is held invalid, the remainder or its application to other situations or persons would not be affected.

Section 18 provides an emergency clause such that it is necessary for the public peace, health and safety that the act take effect immediately.

PERFORMANCE IMPLICATIONS

HB584 is consistent with the federal Patient Protection and Affordable Care Act (PPACA), which creates state-based American Health Benefit Exchanges and small business health options program (SHOP) Exchanges, administered by a governmental agency or non-profit organization through which individuals and small businesses with up to 100 employees can purchase qualified coverage. The PPACA permits states to allow businesses with more than 100 employees to purchase coverage in the SHOP Exchange beginning in 2017. States may form regional exchanges or allow more than one Exchange to operate in a state as long as each Exchange serves as a distinct geographic area. Funding is available to states to establish within one year of enactment and until January 1, 2015.

(Source: Henry J. Kaiser Family Foundation, www.kff.rg/healthreform/upload/8061.pdf)

If the state decides to establish its own Exchange, there are certain federally mandated functions of the Exchange under the PPACA, which include:

- Certify whether a health care plan meets the eligibility requirements to participate in the Exchange, based on criteria developed by the U.S. Health and Human Services Department.
- Make eligibility determinations and provide assistance for participation in the Exchange, in catastrophic plans, to obtain premium tax credits and cost-sharing reductions, and to enroll in public programs such as Medicaid or CHIP.
- Gather income and tax information to make affordability determinations.
- Access or keep a database of employers and employees, which is needed to determine which employees drop coverage and to be able to communicate to employers when such an event occurs.
- Charge insurers user fees, or to otherwise generate money, to be a self-funded Exchange by January 1, 2015.
- Publish licensing and regulatory fees.
- Approve and deny premium increases.
- Collect and publish coverage transparency data.
- Provide enrollment periods as specified under PPACA.
- Monitor and enforce quality improvements required by the PPACA.

HB584 would require the Board of Directors of the New Mexico Health Benefit Exchange to consult with representatives of New Mexico Native American nations, tribes or pueblos and develop and implement policies that:

- Promote effective communication and collaboration between the Exchange and Native American nations, tribes or pueblos, including those nations', tribes' or pueblos' plans for creating or participating in health benefit exchanges;
- Promote cultural competency in providing effective services to Native Americans; and
- Designate a tribal liaison, who shall assist the Executive Director of the Exchange in developing and ensuring implementation of communication and collaboration between the Exchange and Native Americans in the state. The tribal liaison shall serve as a contact person between the Exchange and Native American nations, tribes and pueblos and shall ensure that training is provided to the staff of the Exchange.

The PPACA includes certain provisions specific to the Native American population in relation to the Exchange as follows:

- For Native Americans with a household income of less than 300%:
    - No cost sharing, including premiums, deductibles and co-payments;
    - Must be enrolled in a "qualified health plan" through an Exchange;
    - "Native Americans" means members of a federally recognized tribe, pursuant to the Indian Health Care Improvement Act(IHCIA) and Section 4(d) of the Indian Self-Determination and Education Assistance Act (ISDEAA) definitions;
- For items or services under Indian Health Care Providers, under the Exchange, all Native Americans under 1402(d)(2) have eliminated cost sharing if the services or items are furnished directly by the IHS., a tribe, tribal organization, urban Indian organization, or through contract health services;
- Special monthly enrollment periods for Native Americans;
- Indian premium tax credits, reduced cost sharing, exemption from personal responsibility penalties should such penalties be imposed in state law; and
- A tribe, or group of tribes have a wide range of options regarding Exchange participation. Individual tribal members have the flexibility to participate in any Exchange, which includes any state Exchange, a federal Exchange or other tribally operated plans. The tribes can create an independent Exchange or participate in other regional Exchanges. Native American tribal members also have the option of enrolling in the federal employee health benefits program.

ADMINISTRATIVE IMPLICATIONS

HB584 would require the Board of Directors of the New Mexico Health Benefit Exchange to coordinate with the Superintendent of Insurance to review the establishment and operation of the internet portal that the U.S. Department of Health and Human Services has established pursuant to the federal PPACA to determine whether the federal internet portal meets the needs of the state in providing an electronic clearinghouse of health benefit coverage for the individual and small employer markets. If it is determined that the federal internet portal does not meet the state's requirements for an electronic clearinghouse, the Insurance Division and the Board would be required to jointly develop and maintain an electronic clearinghouse of health benefit coverage for the individual and small employer markets in the state.

The bill would require the Board of Directors of the New Mexico Health Benefit Exchange to

meet with the Board of Directors of the New Mexico Health Insurance Alliance and the New Mexico Medical Insurance Pool by October 1, 2011 and at least quarterly thorough October 1, 2013 to:

- Provide portability of coverage for individuals covered through the New Mexico Medical Insurance pool to the extent possible through the New Mexico Health Benefit Exchange;
- Provide for the transition of other functions of the New Mexico Health Insurance Alliance to the New Mexico Health Benefit Exchange as permitted by law; and
- Prepare a report to the First Session of the Fifty-First Legislature on the transition of functions of the New Mexico Health Insurance Alliance and the New Mexico Medical Insurance Pool to the New Mexico Health Benefit Exchange and on any recommendations to the legislature for continued and expanded health coverage of the state's residents.

The Indian Affairs Department indicates the bill does not provide for Native American involvement in the decision-making process of the Exchange and there is no language to assure representation of the state's Native American population in the governance structure.

There is no language that explicitly identifies a process to ensure the Exchange will comply with the Indian-specific provisions of the Patient Protection and Affordable Care Act (PPACA) and the Indian Health Care Improvement Act (IHCIA) although the plan of operation "shall establish procedures to implement the provisions of the New Mexico Health Benefit Exchange Act, consistent with state and federal law."

It is noted that the HB584 does not include language to allow for participation of tribal members living off the reservation in the decision-making process or consultation process.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB584 relates to HB 257 which would require the Legislative Finance Committee (LFC) to perform a fiscal impact analysis (FIR) and report to the Legislature by November 1, 2011 on the comparative costs and coverage opportunities under three health benefits Exchange options, and requires that any agency that received federal funding for the planning or establishment of a health benefits Exchange pursuant to the federal PPACA (Patient Protection and Affordable Care Act) to provide an unspecified amount of funding to assist the LFC in carrying out the provisions as contained in this bill.

HB584 relates to the following:

- HB33/HCPACS/HHGACS/aHFL
- HB245 (Health Insurance Purchasing Cooperative),
- HB246 (Amend Health Insurance Alliance Act),
- HB257 (LFC Perform FIR on Health Care Reform Designs),
- HB323 ("Interstate Health Care Freedom Compact"),
- HB584 (NM Health Benefit Exchange Act)
- SB5 (Health Security Act),
- SB38 & SB370/SCORCS (NM Health Insurance Exchange Act),
- SB89 (Private Health Insurance Purchasing Co-Op Act),
- SB90 (Health Insurance Access for Large Employers),
- SB208 (Health Insurance Rate Increase Review),

- SB227 (Benchmark Usual & Customary Rates),
- SB386 (LFC to Conduct FIRs on Health Care Designs),
- SJR5 (State Health Care System, CA).

TECHNICAL ISSUES

A suggested amendment is on page 1, line 17, delete "requiring human services and corrections departments to study the feasibility of covering individuals through the exchange" given that the bill contains no further reference or section on these issues.

OTHER SUBSTANTIVE ISSUES

The Indian Affairs Department indicates that in January 2009, the NM Human Services Department estimated that 62,600 Native Americans were eligible for Medicaid, but not enrolled. Further, they estimated that 72.4% of Native Americans were living below 250% federal poverty level. Based on the large numbers of Native Americans who will be eligible for Medicaid and cost-sharing exemptions when purchasing insurance through the Exchange, it will be critical to ensure that the Exchange is able to comply with the Indian-specific provisions of the PPACA and IHCIA. These provisions include the following:

- American Indians are exempt from penalties for failing to acquire qualified health coverage;
- American Indians whose income is at or below 300% FPL are exempt from cost sharing to include co-payments and deductibles;
- Special monthly enrollment periods for American Indians.

The Health Policy Commission indicates according to *Cover the Uninsured*, a project of the Robert Wood Johnson Foundation, more than 50 million Americans are uninsured: More than 7 million of them are children; more than eight out of 10 are in working families.

New Mexico data highlights provided by *Cover the Uninsured* include:

- % of population w/ health insurance 79.9%
- % of employers offering health insurance to employees 51.2%
- % of population that could get medical care when needed 85.1%
- Patients served by FQHCs as a % of population under 200% FPL 30.2%

(Source: *Cover the Uninsured*. http://covertheuninsured.org/category/state/new-mexico)

A report funded by the Robert Wood Johnson Foundation and written by Urban Institute researchers estimates the effects that the PPACA will have on how people get their health insurance, the number of people who will still have no insurance and America's overall spending on health care. The report uses the Institute's Health Insurance Policy Simulation Model (HIPSM) to predict results as if the PPACA were fully implemented in 2010 and contrasts those outcomes with HIPSM's estimates for how these factors would look in 2010 without reform.

According to the report, under the PPACA:

- The share of adults under age 65 without health insurance would decline by 28 million, from 18.6 to 8.3 percent.
- Costs of uncompensated care provided to the uninsured would drop by 61 percent, from $69.6 billion to $27.3 billion.
- Nearly 30 percent of those who would have been uninsured without reform would be covered by Medicaid or the Children's Health Insurance Program (CHIP). Another 20 percent would be covered through the new health insurance exchanges and an additional 10 percent would be covered by private insurance outside the exchanges. Of the remaining 40 percent—those who would still be uninsured—most would be eligible for Medicaid or CHIP but are expected to choose not to enroll.
- The expansion of Medicaid would enroll 13 million adults and nearly 4 million children.
- About 44 million people under age 65 would be covered through health insurance exchanges. About half, 23 million, would be covered by nongroup insurance, the rest by employer-sponsored exchange plans.
- Total spending on acute health care for the non-elderly by the government, employers and individuals would increase by 4.5 percent, or $53.1 billion if the PPACA were fully implemented in 2010. This estimate does not, however, take into account the cost-savings that are likely to occur from multiyear provisions such as Medicare and Medicaid savings and cost-containment programs.

(Source: http://covertheuninsured.org/content/america-under-affordable-care-act)

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The New Mexico Health Benefit Exchange would not be enacted to provide qualified individuals and qualified employers with increased access to health insurance in the state. If the state does not demonstrate, in early 2013, that it will be ready to run an Exchange by January 1, 2014, the federal government will implement and run an Exchange for New Mexico.

POSSIBLE QUESTIONS

Where does HB584 require the Human Services Department and Corrections Department to study the feasibility of covering individuals through the Exchange?

RAE/mew