



## The New Mexico Health Security Act

We all know the problems we face with our current health care system. Many attempts have been made to fix it, and nothing has worked. In fact, we are confronted with a more serious crisis than we experienced in the early 1990s. A new comprehensive approach is needed to address this situation. Clearly, whatever national reform comes out of Washington will continue to rely on our complex private insurance system.

### ***What the NM Health Security Plan proposes.***

Under the proposal we will set up our own New Mexico health insurance plan – like a cooperative - that will cover almost all New Mexico residents. (Federal retirees, active duty and retired military, TRICARE recipients will continue with their federal plans. The tribes as sovereign nations may choose to join the Plan. Health plans covered under ERISA have the option of joining the Plan.)

The Plan shifts the role of private insurance to a supplemental one (as Medicare did when it was established). The Plan will guarantee access to comprehensive, quality health care coverage regardless of income or health and employment status.

***A Go-Slow Approach.*** It will take three years before the Plan may be ready to begin operations.

- ✓ **Year 1:** “The Year of Financing” when the Legislative Finance Committee, with public input, will determine:
  - The cost of the Plan (assuming services offered state employees)
  - Individual premiums and employer contributions
  - Workers’ compensation and automobile insurance premium reductions
- ✓ **End of Year 1:** Legislative and Gubernatorial approval of financing package. If not approved, the Plan will not go into effect.
- ✓ **Years 2–3:** Development of Plan with legislative, executive and public input – with the ability to extend the time to proceed or to put on the brakes should this phase not prove to be workable.
- ✓ **End of Year 3:** Estimated time when the Plan goes into operation

### ***The New Mexico Health Security Plan also:***

- Guarantees choice of provider, even across state lines.
- Guarantees a good benefit package that must be as comprehensive as the services offered state employees.
- Preserves the private delivery system (private physicians, hospitals, etc.)
- Provides strong protections for retirees.

***The Health Security Plan: An old-fashioned solution to our current crisis.***

Now we all pay for a segmented system of hundreds of insurance plans that create a costly and complex administrative system. The Plan is based on the “old-fashioned” concept of insurance, where the young, the old, the healthy and not so healthy are all in one large insurance pool and the risk is shared while administrative costs are reduced.

This proposal has been worked and reworked for many years. Input has been received from all over the state. What this Plan proposes is not an imitation of the Canadian, French or Japanese systems; nor is it modeled after any other state’s proposals. It is **a New Mexico solution.**

**A cost-effective approach:** A 1994 New Mexico study by the independent think tank The Lewin Group estimated that \$4.6 billion could have been saved by 2004 had all New Mexicans been under one plan by 1997. While not all New Mexicans are covered by the Health Security Plan, even if half that amount is saved, that is significant for our state. Mathematica Policy Research, Inc., concluded in 2007 that the Health Security Act is the only proposal that significantly reduces health care costs, even in its first year of operation. Other state studies also have determined that including all or most state residents under one health insurance plan controls rising health care costs.

***Who will administer the Health Security Plan?***

- **An independent, non-governmental Commission** with 15 geographically representative commissioners oversees the Plan.
- 10 commissioners must represent consumer and employer interests and 5 must represent provider and health facility interests.
- The publicly accountability Commission will be subject to the Open Meetings Act. Its budget will be available for public scrutiny, and patient/provider privacy will be protected.

***Who will pay for the NM Health Security Plan?***

Public and private dollars will be efficiently pooled into one fund. Funding sources include **current** federal and state monies spent on health care (Medicaid and Medicare, for example) plus individual premiums and employer contributions (with caps). Employers may cover all or part of an employee’s premium obligations.

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***About the Health Security for New Mexicans Campaign***

*Established in 1992, the Campaign is a statewide, nonpartisan coalition of over 145 organizations. The Campaign’s mission is to establish a publicly accountable health care system in New Mexico that guarantees comprehensive medical and mental health care coverage to all residents, allows for freedom of choice of provider and controls costs.*

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