

Projected Total Expenditures in 2007 and 2011 Calendar Years*
(study excludes over-65 population and institutional population)

	Current System	Health Security v. 1	Health Security v. 2	Health Choices v. 1	Health Choices v. 2	Health Coverage
2007*	\$6.237 billion	\$6.028 billion	\$6.174 billion	\$6.676 billion	\$6.695 billion	\$6.427 billion
First year (2007) savings/costs	Baseline	-\$209 million (savings)	-\$63 million (savings)	+\$439 million (cost increase)	+\$458 million (cost increase)	+\$190 million (cost increase)
2011*	\$8.765 billion	\$7.878 billion	\$8.067 billion	\$9.101 billion	\$9.148 billion	\$8.835 billion
Fifth year (2011) savings/costs	Baseline	-\$887 million (savings)	-\$698 million (savings)	+\$336 million (cost increase)	+\$383 million (cost increase)	+\$70 million (cost increase)

* Source: *Quantitative and Comparative Analysis of Reform Options for Extending Health Care Coverage in New Mexico*, Mathematica Policy Research, Inc., Final Report, July 31, 2007, p. 65.

What these numbers mean:

- In 2007, only the Health Security Act models, even when assuming no provider savings, cost less than the current system. The other models cost more than the current system.
- By 2011, the Health Security Act models are the only ones that result in savings when compared to the current system. The others increase health expenditures.
- In 2011, Health Security version 1 saves \$887 million (health expenditures are reduced by \$887 million). Health Security version 2 saves \$700 million. The Health Choices models cost \$336 million and \$383 million more than the current system. This amounts to over a \$1 billion difference when you compare the cost of the Health Security models to the cost of the Health Choices models. (For example, Health Security version 1 costs \$7.878 billion in 2011 while Health Choices version 1 costs \$9.101 billion that same year.)
- By 2011, the Health Coverage model costs \$70 million more than the current system. If you compare the difference in costs between the Health Security models and the Health Coverage model, Health Security version 1 amounts to almost \$1 billion dollars in savings and Health Security version 2 amounts to \$800 million in savings. (For example, Health Security version 1 costs \$7.878 billion in 2011 and Health Coverage costs \$8.835 billion.)

**Brief Descriptions of the Five Models
as assumed and analyzed by
Mathematica Policy Research, Inc.
for the Governor's Health Coverage for New Mexicans Committee**

Model 1. **Health Security Act, Version 1:** Sets up a cooperative to provide health insurance to almost all New Mexicans. This version assumes provider overhead savings only in urban areas.

Model 2. **Health Security Act, Version 2:** Sets up a cooperative to provide health insurance to almost all New Mexicans. This version assumes no provider overhead savings.

Model 3. **Health Choices, Version 1:** A health insurance marketing alliance that provides vouchers to almost all New Mexicans, paid for with taxpayer dollars, and requires that all New Mexicans, including all employers, participate.

Model 4. **Health Choices, Version 2:** A version of the health insurance marketing alliance that allows employers who provide insurance to opt out of the alliance. Everyone else must participate.

Model 5. **Health Coverage Plan:** Expansion of the current system, assuming all those eligible for enrollment in Medicaid and other public programs do so. Requires everyone to either purchase private insurance or enroll in a public program.

On the first page of this handout are Mathematica's final report numbers. Please note that these numbers exclude the over-65 (Medicare) population and the institutional population—populations that the Health Security Act actually includes.

The numbers also assume that under each model all New Mexicans are covered.

The July 31, 2007, final report did not include an analysis of the governor's Health Solutions proposal since that proposal was not yet developed.