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**FOR IMMEDIATE RELEASE**

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**Governor's August 9th News Release on His Committee's Recommendations for Health Care Reform Makes Inaccurate Statements, Health Security Campaign Leaders Say**

**“According to the Mathematica Study, only one reform model costs less than the current system, and that model is the Health Security Act.”**

**Corrales, NM.** Eleanor Chavez, chair of the Health Security for New Mexicans Campaign, today expressed strong concerns about statements in the Richardson Administration's August 9th news release, “Governor and Legislative Leadership Receive Universal Health Coverage Policy Recommendations.”

“The sub-headline in this news release, ‘Reform is Less Costly than the Status Quo,’ would lead us to believe that any of the reform models that Mathematica Policy Research studied would be less costly than the current system, but that is not the case at all,” Chavez stated. “According to the Mathematica study, only one reform model currently costs less than the current system, and that model is the Health Security Act.”

Chavez noted that the press release also quoted Lt. Gov. Diane Denish as saying, “In the long run, making no change in the current health care system would be more costly than moving forward with some type of reform.”

“The Lt. Gov.'s statement is also inaccurate,” Chavez pointed out. “Mathematica found that even after five years of operation, only the Health Security Act costs less than the current

system, and the other reform models still cost more than the current system. In fact, by 2011 the Health Security Act has estimated savings of \$698 to \$887 million and every New Mexico resident has coverage.”

“It is unfortunate that after spending over \$300,000 of taxpayers’ money on the Mathematica study, Governor Richardson and his Health Coverage for New Mexicans Committee are ignoring both the unambiguous findings and the strong public support for the Health Security Act, which is endorsed by 128 organizations and 25 New Mexico counties and municipalities,” Health Security Campaign Vice Chair Max Bartlett said.

“Evidence is piling up day after day that the private health insurance system is broken,” Health Security Campaign Executive Director Mary Feldblum noted. “According to the Mathematica study, 26% of New Mexicans under 65 are uninsured. This figure does not include the underinsured population.”

“The latest study by *Consumer Reports* – published in its September issue – makes the point that increasing numbers of employers are confronted with rising health care costs at the same time the health insurance industry is making billions of dollars in profits, 11 billion in 2006 alone,” Feldblum added. “Yet, it is clear from his prior statements that Governor Richardson believes that the system is broken only for the 20% who are uninsured.”

“Mathematica found that the Health Security Act costs the least and saves the most money because it covers most New Mexicans under one cooperative plan with comprehensive benefits,” Bartlett noted. “The Health Security Act shifts the role of the insurance companies to provide supplementary insurance, just as they did under the original Medicare. However, our Governor has publicly stated numerous times that the insurance companies should maintain their dominant role.”

“Continuing to invest public dollars in the broken private insurance system makes absolutely no sense,” Feldblum said. “Furthermore, the Governor’s plan – and his committee’s recommendations - will not solve the problem of rising health care costs or simplify an extraordinarily complex health insurance system.”

With the clear results of the Mathematica study now before us, New Mexico has an opportunity to choose one of two very different paths,” Bartlett pointed out.

“We can continue to try to fix the failed private insurance system with ever-increasing amounts of taxpayer dollars, or we can go in a new direction. The Health Security Act enables New Mexicans – not the insurance companies - to develop a realistic, cost-effective and comprehensive solution to our health care crisis.”

“The path we take will have a serious impact on all New Mexicans,” Chavez said. “We are the ones who need to make that choice and communicate our views to the Governor and our legislators.” –30-