



# The Health Security for New Mexicans Campaign

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## Obamacare, Exchanges, and Other Alternatives

The Affordable Care Act (ACA), also known as Obamacare, requires all states to have an online marketplace, or exchange, to provide health insurance for the uninsured and small businesses. Many uninsured individuals qualify for subsidies to help pay for their new insurance premiums; others are able to take advantage of expanded Medicaid eligibility guidelines. As a result, many previously uninsured New Mexicans now have access to some sort of health coverage.

Health insurance exchanges, which are based on the Massachusetts model, rely on private insurance to deal with the uninsured and health care costs. But there are other ways to address these critical issues, through plans that may be better suited to a state's particular circumstances.

### The Waiver for State Innovation

Fortunately, the ACA drafters understood that exchanges may not work in all states. The **Waiver for State Innovation** section of the law allows states to create alternatives. Waivers, however, cannot be received until January 2017. Although President Obama has expressed support for states to be able to utilize this option prior to 2017, it is unlikely that the current Congress will cooperate.

The existence of the Waiver for State Innovation provision makes it very clear that there is **no conflict** between the ACA requirement to establish an exchange and a state creating an alternative that better addresses its needs.

To receive a waiver, a state's plan must meet four conditions: (1) it must meet the ACA's standards for comprehensive coverage; (2) it must meet the ACA's standards for affordability; (3) it must cover as many people as an exchange would; and (4) it cannot add to the federal deficit.

States that have exchanges and states that qualify for waivers will both receive **federal subsidies and tax credits** to make insurance affordable.

### Why the Waiver for State Innovation Provision Is Important

Exchanges are helping to provide coverage for many of those who are uninsured, but not for all of them. And even strong supporters do not expect exchanges to lower health care costs and premiums.

While the exchange is a good first step, the NM Health Security Act provides a better alternative.

The Waiver for State Innovation presents an opportunity for New Mexicans to change their dependence on the private insurance paradigm by creating their own health plan. Two studies have shown that the NM Health Security approach—which places almost all state residents in one statewide insurance pool—not only will ensure that all New Mexicans have comprehensive coverage but will also reduce health care expenditures by eliminating the wasteful costs of our complex private insurance system.

***Taking advantage of the ACA's Waiver for State Innovation provision will let New Mexico develop a plan that serves its residents, not the insurance industry.***