

### 30-Second Description

While the Affordable Care Act has been a good first step toward providing health coverage for the uninsured and establishing some patient protections, we do not know how it will fare in the coming months. A Plan B is definitely needed to ensure that all New Mexicans have health coverage. The homegrown New Mexico Health Security Act offers a well-thought-out solution, especially given the unknowns about the future of health care reform.

Our state has a small population, so it makes sense for us to set up our own health plan that would include most New Mexicans, regardless of employment, age, or health status. The Health Security Plan would offer comprehensive services and freedom of choice of health care provider and hospital, even across state lines.

Two independent studies (from 1994 and 2007) have demonstrated that such an approach would save our state billions of dollars in health care expenditures, which are growing at an all too rapid rate.

### Important Concepts to Get Across

#### I. The Health Security Plan:

1. The Health Security Plan is a **homegrown** solution – the result of years of input from New Mexicans from all walks of life and all parts of the state.
2. The Health Security Plan is **not “government-run.”** There are no cabinet secretaries or elected officials who can serve on the commission. The commission consists of a **geographically** representative citizens’ board (like a **cooperative**).
3. The **benefit package (the covered services)** can be no less than the services offered to state employees. Note: regardless of which plan a state employee signs up for, the services are the same.
4. Plan members have **freedom of choice of health care provider** and hospital, including across state lines.
5. The Plan will **not be funded through tax increases**. It will be funded partly through sliding-scale premiums and employer contributions (for those covered by the Plan), with caps for both revenue sources. These will be placed into a dedicated fund, along with existing public monies that pay for health care (Medicaid, Medicare, etc.). If federal premium subsidies and tax credits continue, these will be included.
6. Once the bill is passed, the Legislative Finance Committee must **first** conduct a **cost analysis** to determine whether the Plan is financially feasible. The Plan will not be implemented until the legislature approves a fiscal analysis report.
7. **Additional benefit.** Workers compensation and automobile insurance premiums are reduced for Plan members, since injuries and illness will be covered under the Health Security Plan.

## **II. The Affordable Care Act's Future and Health Security:**

1. Current problems we face – increases in premiums, deductibles, and copays, and greater restrictions in choice of provider – are due to our private insurance system, which the ACA and any future “replacement” would rely on. And, of course, the pharmaceutical industry is running wild increasing drug prices.
2. We cannot afford to wait to see how Congress and the new president will dismantle the ACA. We need to do something now.
3. The two studies noted above were conducted prior to passage of the ACA, so they did not take into consideration federal dollars that are currently available in the form of subsidies, tax credits, and Medicaid expansion funds. The Plan was financially feasible without these extra revenue benefits.
4. It is important to keep in mind that the first step once the Health Security Act is passed is for the Legislative Finance Committee to conduct an analysis to determine whether the Plan is financially feasible. The legislature must decide whether to accept the report and move on to the implementation phase. Thus, this report cannot be filed away, as was the case with the prior two studies. If it is determined that the Plan is not financially feasible, the legislature will not move ahead with the Plan.