The New Mexico Health Security Act

Rising premiums and copays, shrinking provider networks, no end in sight to drug price increases, more and more plans with high deductibles, surprise billings on the rise, and threats to those with preexisting conditions—that’s what New Mexicans are facing today.

New Mexico can take control of its health care destiny by setting up its own health coverage plan. Under the Affordable Care Act, states can get an innovation waiver for their own plans. And there is a strong message coming from Congress and the federal courts that states may have to take responsibility for health care coverage.

The New Mexico Health Security Act, which has been vetted by hundreds of diverse New Mexicans for years, offers a well-thought-out public approach. In 2019, the New Mexico legislature appropriated $389,000 to conduct a detailed fiscal study of the Health Security Plan to make certain that it is financially feasible.

**What the NM Health Security Act proposes:**

With Health Security, New Mexico will set up its own health insurance plan to provide universal coverage. It will make certain that all New Mexicans have coverage and will shift private insurance to a supplemental role.

Health Security will provide comprehensive, quality services, fully protect those with preexisting conditions, and offer freedom of choice of health care providers, with no more networks, no new taxes, and premiums based on income.

**A carefully considered approach:**

- **Phase 1 (now in process):** With the assistance of analyst KNG Health Consulting, the Legislative Finance Committee is determining the cost of the Plan, ranges for individual premiums and employer contributions, and reductions to workers’ compensation and automobile insurance premiums.
- **Phase 2 (2021 legislative session):** With the analysis in hand, the legislature and the governor will be able to enact the Health Security Act.
- **Phase 3:** The details of the Plan will be developed, with legislative, executive, and public input, and federal waivers will be applied for so the Plan can begin operations and receive all available federal tax credits and subsidies.

**The NM Health Security Plan also:**

- Guarantees choice of providers, even across state lines. No networks or required referrals. You have **Choice Where Choice Matters.**
- Guarantees a good benefit package, which must be as comprehensive as the services now offered to state employees.
- Fully protects those with preexisting conditions.
- Preserves the existing private delivery system (private physicians, hospitals, etc.)
- Reduces overhead costs for health care providers and facilities.
- **Ensures true health security:** your insurance can never be taken away.
An old-fashioned solution to our current crisis:

Today, we pay for a segmented system of hundreds of insurance plans, resulting in costly and complex administration. The Plan is based on the old-fashioned concept of insurance, with the young, the old, the healthy, and the not so healthy all in one large insurance pool. Risk is shared; administrative costs are reduced.

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

This proposal has been reworked for many years. Input has been received from all over the state. Not an imitation of any other system, this is a New Mexico solution.

A cost-effective proposal:

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. Mathematica Policy Research, Inc., concluded in 2007 that Health Security was the only proposal that would significantly reduce health care costs, even in its first year of operation. Other state studies also have shown that covering all or most state residents through one insurance plan controls rising health care costs. And these studies were conducted prior to passage of the Affordable Care Act.

Who will administer the NM Health Security Plan?

- An independent, nongovernmental 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 accountable 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?

The Plan requires no new taxes. Existing public dollars, including federal and state monies spent on health care (Medicaid and Medicare, for example) are pooled into one fund, along with Plan members’ premiums (based on income, with caps) and employer contributions (with caps). Employers may cover all or part of an employee’s premium obligations. Federal premium subsidies and tax credits are also included.

About the Health Security for New Mexicans Campaign

Established in 1992, the Health Security for New Mexicans Campaign is a statewide, nonpartisan coalition of over 170 organizations and numerous individual supporters. Its mission is to establish a publicly accountable system of guaranteed, comprehensive, and affordable health care coverage for all New Mexicans.

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