HEALTH COVERAGE FOR NEW MEXICANS COMMITTEE
DRAFT RECOMMENDATIONS – June 25, 2007

Re: Further Analysis

Cost-Financing-Fiscal Implications

1. Savings/net cost to employers, e.g., payroll tax vs. premium reduction, and cost to employers not currently offering coverage
2. Cost of full Medicaid enrollment
3. Separate insurers' profit from admin expense
4. Cost of allowing employers and employees to buy into Medicaid or state employee plan (GSD/RMD)
5. Medical component savings from workers comp and auto insurance, while maintaining workers comp structure
6. Cost/impact of unraveling workers comp structure
7. Cost and savings of establishing an authority (see Process # 1)
8. Methodology to improve and enhance Medicaid/SCHIP outreach and enrollment

Policy/Legal Analysis

1. Further ERISA legal analysis (request from Congressional Research Service or other source)
2. Section 125 (IRS Code) legal analysis (through CRS or other source)
3. Increase Medicaid; cost of enrollment through pubic/private partnerships
4. Role of the PRC and the Insurance Division and how they relate to the healthcare authority (see Process # 1)
5. Value of contracting Medicaid/other public programs to private sector; impact on beneficiaries and impact on costs
6. Feasibility of obtaining waiver for higher FPL eligibility
7. Compare Medicare/Medicaid programs, e.g., Medicare reimbursement methodologies as benchmark and comparison before & after Medicare Advantage Plans

Re: Policy

1. Maximize Medicaid when economically feasible; e.g.
   a. enroll everyone eligible
   b. expand eligibility up to 300% FPL (if feds approve)
   c. 200%-300% proportional to income (if feds approve)
2. Changes to insurance requirements, e.g.
   a. required coverage
   b. controls for medical loss ratio for insurance companies
   c. guarantee issue for individuals and small groups
   d. combine individual & small group market
   e. reduce small group mark-up for experience (currently ± 20% over average)
   f. move toward community rating
   g. require standard data for insurance companies
   h. create state formulary
   i. require coverage of pre-existing conditions
3. Consolidate administrative structures of state and create health care authority based on HCNMC's guiding principles (see Process #1)
4. Require coverage and implement enforcement mechanisms, along w/:
   a. guaranteed issue for individuals
   b. limitation on experience rating & move to community rating
   c. required coverage of pre-existing conditions
5. Allow employers and employees to buy into state pool and/or Medicaid
6. Move toward ensuring portability when employment changes
7. Allow provider choice for consumers
8. Consolidate or create larger risk pools where beneficial
9. Require health information technology for medical records, billing and reimbursement
10. Increase provider recruitment and retention through incentives
11. Consider state-operated re-insurance program to distribute high risk

Re: Process

1. Create single health care authority that consolidates current state structures (e.g., initially HIA, NMMIP, HPC, GSD/RMD, SEIP, and eventually RHCA, NMPSIA, APS, Medicaid & SCI, and other state programs) with ability to set minimum benefits/services, performance standards, rates and quality & preventative requirements, as well as customer service and linkage/connecting;
2. Charge authority to do further analysis, including development of minimum benefits/services up to a comprehensive benefit plan structure
3. Draft legislation and take to LHHS, LFC, & other interim legislative committees & stakeholders
4. Talk with IHS, tribes and rural and urban Indian interest groups (see Insure NM! Study)
5. Create simple HCNMC report with Mathematica study findings & highlights, committee discussion and recommendations, including issues discussed but without consensus or agreement
6. Presentation of recommendations by HCNMC to Governor
7. Require effective prevention, wellness & chronic disease management programs
8. Consider end-of-life legal and medical issues that increase costs and prevent choice