

**ANALYSIS OF REFORM OPTIONS FOR
EXTENDING HEALTH CARE COVERAGE IN NEW MEXICO:**

Estimated Expenditures in the Health Care Reform Models

Deborah Chollet, Ph.D.

Health Care Coverage for New Mexicans Committee

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MATHEMATICA
Policy Research, Inc.

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Overview

- **Estimated 2007 expenditures**
- **Projected costs to 2011**
- **Projected nonmedical cost**
- **Projected expenditures by type of service**
- **Sensitivity to assumptions about medical cost growth and nonmedical cost**

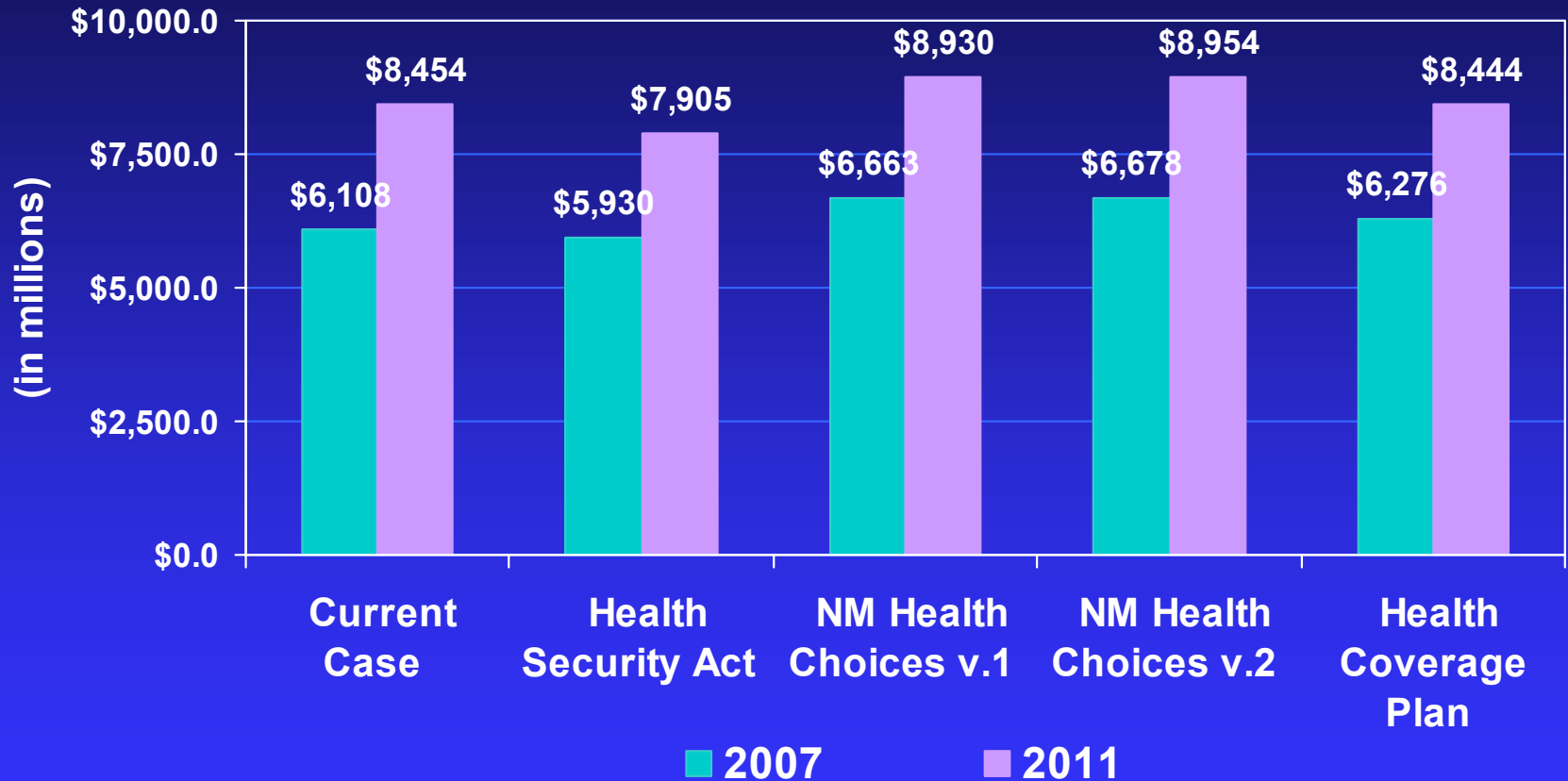
Estimated Total Expenditures 2007

	Expenditures (\$ millions)	Additional expenditure	Percent additional expenditure
Current case	\$ 6,108.2	--	--
Health Security Act	\$ 5,929.7	- \$ 178.4	-2.9%
NM Health Choices v1	\$ 6,662.6	\$ 554.4	9.1%
NM Health Choices v2	\$ 6,678.4	\$ 570.2	9.3%
Health Coverage Plan	\$ 6,275.9	\$ 167.7	2.7%

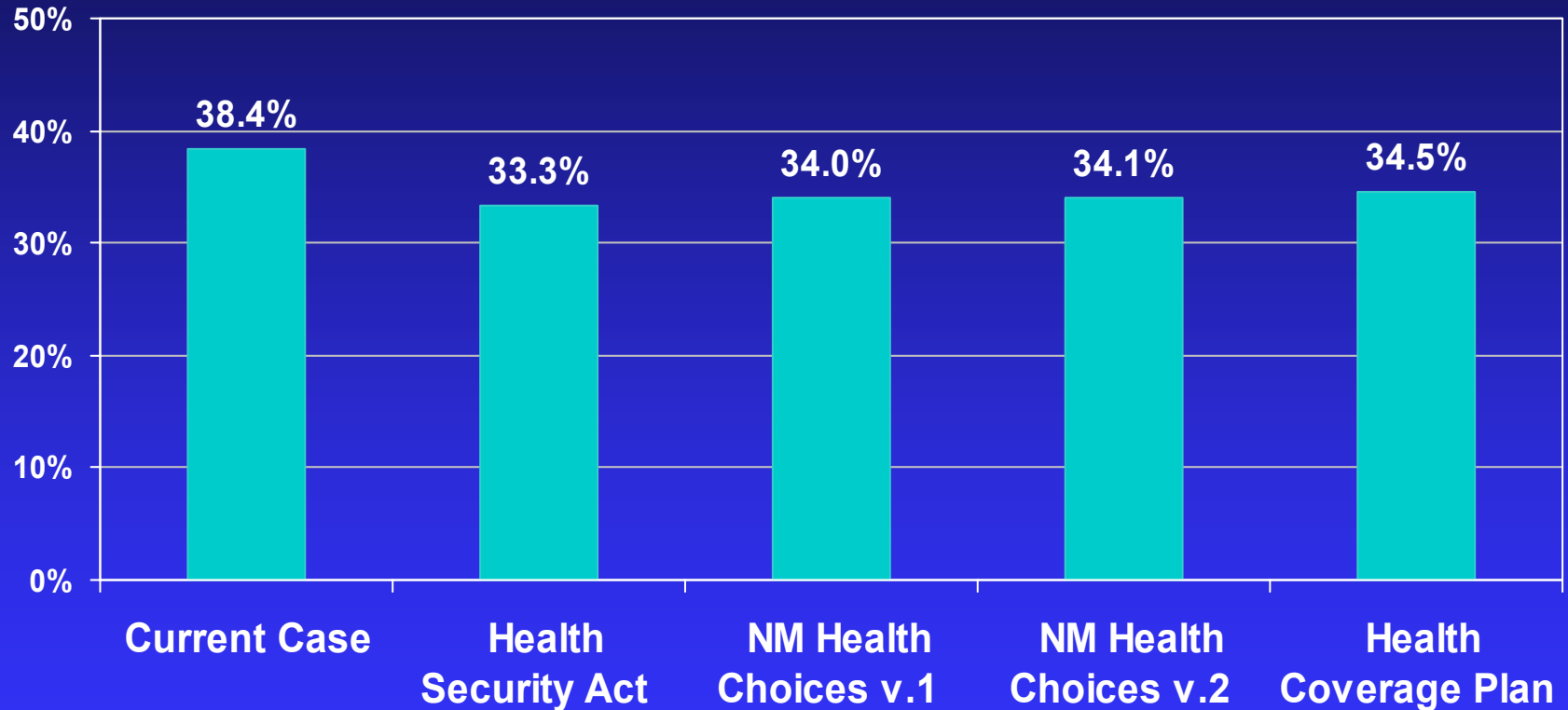
Estimated Medical and Administrative Cost as a Percent of Total Cost 2007

	Total expenditures	Medical cost	Nonmedical cost
Current case	\$ 6,108.2	88.1%	11.9%
Health Security Act	\$ 5,929.7	91.3%	8.7%
NM Health Choices v1	\$ 6,662.6	84.0%	16.0%
NM Health Choices v2	\$ 6,678.4	84.2%	15.8%
Health Coverage Plan	\$ 6,275.9	87.5%	12.5%

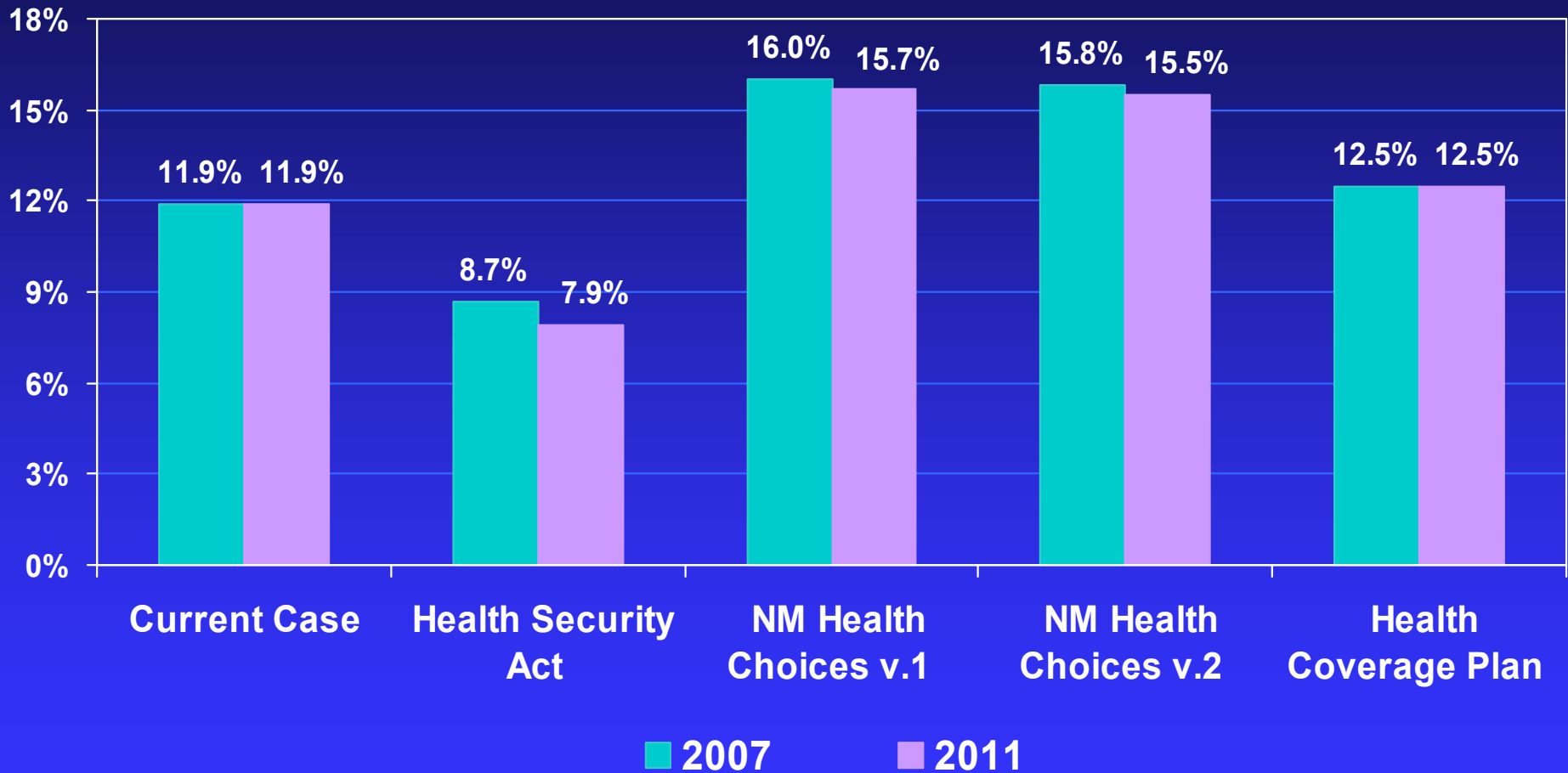
Projected Total Expenditures in 2007 and 2011



Estimated Total Growth in Expenditures 2007-2011



Estimated Nonmedical Cost as a Percent of Total Cost 2007-2011



Change in Expenditure by Selected Type of Service 2007

	Hospital inpatient	Office-based providers	Rx	Vision/dental
Health Security Act	-3.4%	-2.4%	10.2%	2.6%
NM Health Choices v.1	0.6%	1.8%	11.5%	6.3%
NM Health Choices v.2	0.6%	2.6%	11.9%	7.4%
Health Coverage Plan	-0.8%	0.5%	6.7%	3.9%

Change in Expenditure for Nonmedical Cost 2007

Health Security Act	-28.8%
NM Health Choices v.1	46.9%
NM Health Choices v.2	45.6%
Health Coverage Plan	8.5%

Sensitivity to Assumptions

- **Medical cost growth**
 - **Provider reimbursement**
 - **Use of services**
- **Nonmedical cost structure, and level of nonmedical cost**
 - **Separating nonmedical cost trend from medical cost trend**
 - **Use of private insurers, and private insurer cost net of medical claims**