

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

Three Reform Models and What Will Come Next

**Deborah Chollet
Su Liu**

**Health Care Coverage for New Mexicans Committee
April 26, 2006**

MATHEMATICA
Policy Research, Inc.

Overview

- **Major assumptions**
- **Sources of coverage in the reform models - assumptions and findings**
- **Potential legal considerations**
- **Final Report**

Major Assumptions for Reform-Model Coverage Estimates

- Every New Mexican becomes insured
- Immediate full implementation
- Maximum enrollment in Medicaid/SCHIP
- Self-insured employer decisions are driven by cost
- Individual choices among coverage options are driven by cost
- Crowd out may occur
- Family coverage is preferred when available
- Young adults first seek coverage on their own

Percent of Persons Covered by Major Sources in the Reform Models

	Current case	Health Security Act	NM Health Choices v1	NM Health Choices v2	Health Coverage Plan
Employer-based insurance	42.2 %	1.9 %	1.9 %	9.0 %	49.4 %
Individual private insurance	2.0	---	---	---	2.7
Medicaid/SCHIP	25.7	46.3	56.5	55.7	39.3
Other public insurance (SCI and TRICARE)	4.4	3.9	3.9	3.9	8.6
New program	---	47.1	37.8	31.5	---

Sources of Coverage for Uninsured New Mexicans in the Reform Models

Health Security Act

– Health Security Plan 100%

(Medicaid/SCHIP-enrolled 53%)

NM Health Choices

– Health Alliance 100%

(Medicaid/SCHIP-enrolled 76%)

Health Coverage Plan

– Employer coverage 28%

– Individual and NMMIP 3%

– Medicaid/SCHIP 53%

– SCI 16%

Potential Legal Issues

- **Enforcement of an individual mandate**
- **Medicaid waiver authority for changes in eligibility or benefits**
- **Self-insured employer plans and ERISA**
- **Tax consequences**

Final Report

- Expenditures under the reform models
- Financing
- Economic impacts
- Fiscal impacts
- Considerations
 - Institutionalized persons
 - Miscellaneous sources of cost saving (workers compensation and auto insurance)
 - Public health impacts
 - Access to services in medically underserved areas