

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

Specifications for Coverage and Cost Analyses

**Deborah Chollet
Su Liu**

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MATHEMATICA
Policy Research, Inc.

Overview

- **Specify key elements of each model**
- **Consider comparability across models**
- **Focus on “drivers” in each model**
- **Review and correction/modification**

Key Elements of the Models

- **Included and excluded populations**
- **Medicaid/SCHIP eligibility**
- **Role of private insurers, if any**
- **Role of employers, if any**
- **Covered benefits and cost sharing**
- **Payment of providers**
- **Base premiums (pmpm cost)**
- **Income-related contributions or subsidies**
- **Sources of revenue**

Comparability Across Models

Estimates assume the SAME:

- Target population: 0-65, noninstitutionalized
- Covered services, if standard (vision/dental)
- Compliance with individual mandate
- Control of medical cost trend
- Other sources of saving associated with universal coverage
- Quality improvement

Key Differences Among Models

Estimates assume DIFFERENT:

- **Medicaid/SCHIP eligibility**
 - HSA & Health Coverage Plan: current law
 - Health Choices: adults without children to 100% FPL
- **Role of private insurers**
 - HSA: replaced by Health Security Plan
 - NM Health Choices: offer coverage within the Alliance
 - Health Coverage Plan: current role

Differences, cont.

- **Role of employers**
 - HSA: individual enrollment only
 - NM Health Choices: Alliance replaces individual and group insurance markets
 - Health Coverage Plan: current case
- **Incentives for self-insured employers to continue coverage**
 - Health Choices v.2: no continuation
 - HSA and NM Health Choices v.1: some continue
 - Health Coverage Plan: current case

Differences, cont.

- **Medical cost differences**
 - Different cost sharing
 - Provider administrative costs
- **Administrative cost differences**
 - Use of private insurers (NM Health Choices and Health Coverage Plan)
 - Use of agents and brokers (NM Health Coverage Plan)
 - Significant new administrative structures (HSA and NM Health Choices)

Differences, cont.

	No contribution	Premium/contribution schedule
Health Security Act	< 100% FPL and Medicaid/SCHIP	Cost, capped at 6% of family income
NM Health Choices	< 100% FPL and other Medicaid/SCHIP	<p>Vouchers cover:</p> <ul style="list-style-type: none"> ● 101-249% FPL: low cost sharing ● 250-399% FPL: med. cost sharing ● 400% FPL+: high cost sharing (v1) or cost capped at 6% family income (v2)
Health Coverage Plan	< 100% FPL and other Medicaid/SCHIP enrollees (not SCI)	<p>SCI (if no employer contribution):</p> <ul style="list-style-type: none"> ● < 100% FPL: \$75 ● 101-150% FPL: \$95 ● 151-200% FPL: \$110 ● 201-250% FPL: \$150 ● 250-300% FPL: \$200

Differences, cont.

	Sources of revenue	Revenue losses
Health Security Act	<ul style="list-style-type: none"> ● Payroll tax on employers ● Self-insured employer contributions ● Individual/employee contributions ● FMAP on Medicaid/SCHIP 	<ul style="list-style-type: none"> ● Federal DSH funds ● Premium tax revenues
NM Health Choices v1	<ul style="list-style-type: none"> ● Payroll tax on employers ● Payroll tax on employees ● FMAP on Medicaid/SCHIP 	<ul style="list-style-type: none"> ● Federal DSH funds ● Premium tax revenues
NM Health Choices v2	<ul style="list-style-type: none"> ● Employer contributions ● Fair share assessments (\$300/yr) ● Individual/employee contributions ● FMAP on Medicaid/SCHIP 	<ul style="list-style-type: none"> ● Federal DSH funds ● Premium tax revenues
Health Coverage Plan	<ul style="list-style-type: none"> ● Employer contributions ● Fair share assessments (\$300/yr) ● Individual/employee contributions ● FMAP on Medicaid/SCHIP 	<ul style="list-style-type: none"> ● Federal DSH funds

Other Potential “Drivers”

Issue	Provision	Assumption
New employer offer of coverage	Employer tax credits or other tax incentives	No new offer of coverage
Affordable products	Special individual product for 19-30 (can be denied) Dependents coverage to age 30 (in group, cannot be denied)	No special products Dependents coverage to age 30

Review and Correction/Modification

- Employer roles
- Incentives for self-insured employers
- Rating rules, if individual contributions/premiums
- Financing