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Governor Richardson Unveils *Health Solutions New Mexico Plan* to Achieve Universal Coverage and Reform Health Care Governor Wants Coverage Affordable, Care Accessible and the System Accountable

(ALBUQUERQUE, NM) – Today Governor Richardson announced his *Health Solutions New Mexico Plan* - a comprehensive reform blueprint to get all New Mexicans insurance coverage and redesign the way health care is delivered. Since he first took office in 2003, Governor Richardson has worked to expand access to health coverage.

“Our health system is too complex,” stated Governor Richardson. “It asks employers and individuals to be insurance experts. Patients must navigate through a maze of requirements that reward discrimination based on health status. It values expensive procedures over prevention.”

“We must make coverage more affordable, care more accessible and the system more accountable,” Governor Richardson continued. “My *Health Solutions New Mexico Plan* does just that — by reforming insurance to keep costs down, expanding access coupled with required participation, and by creating a single point of accountability through a new Health Coverage Authority.”

Governor Richardson emphasized two principles in moving toward universal coverage:

- Those who are satisfied with their health coverage can keep it, but he will also take measures to make insurance affordable and accessible to those without it.
- The expansion of public programs must be phased in a fiscally responsible way.

“The governor and I set health insurance for all New Mexicans as a goal upon taking office, and this proposal represents the leap we need to take after many steps of progress,” stated Lt. Governor Diane Denish. “We have met with the stakeholders and, with them, have developed a phased-in plan that presents the best options for consumers, providers, businesses, insurers and state government. Too many people are hurting. We must act boldly and pursue this now.”

The Governor outlined his *Health Solutions New Mexico* legislation that he will propose in the 2008 Legislature, which entails four major components:

1. Insurance reform. There is a unified voice from business, labor and patients demanding solutions to the ever-rising cost of care and insurance premiums. The plan includes the following reforms:

- A requirement that at least 85% of premiums must be spent directly on health care. Public programs already meet this requirement, the plan calls for commercial insurers to meet the same standard.
- Coverage should not be denied to those with pre-existing conditions. We have a successful high-risk pool for those shut out from commercial insurance, but we need to offer more affordable choices.
- Relief for small businesses, by reducing the percent charged for health status on top of their yearly cost increases.

2. Phased-in Health Coverage Participation. The plan will first create additional options and expand public programs, but the end goal is that everyone participates. This phased-in approach will require individuals to show proof of health coverage, and employers to contribute to a healthy New Mexico workforce, offset by the amount an employer pays for coverage for their employees. . The public pays for the uninsured in one form or another, and employers who purchase health coverage are paying more because other employers pay nothing.

“In this important step, I believe that New Mexico must lead the way,” Governor Richardson noted. “That’s why today I am signing an executive order that requires contractors with six or more employees to demonstrate that they offer health coverage to do work with the state.”

The executive order will go into effect in July 2008 and will be phased-in over three years. At that time, vendors doing business with the state with contract of at least \$1 million dollars “shall offer health insurance to their New Mexico employees.” In 2009 the minimum drops to \$500,000, and again to \$250,000 in 2010.

3. Transition to Electronic Claims and Records. The Governor’s plan calls on the Telehealth and Health Information Technology Commission to lay out a strategy for moving providers to electronic claims filing and medical records. Electronic transactions will improve quality of care, help control costs and reduce errors. At the same time the plan demands that the patient's right to privacy is protected.

4. Creation of a Health Coverage Authority. The *Health Solutions New Mexico* Plan proposes the creation of a new Health Coverage Authority made up of qualified New Mexicans with the expertise necessary to effectively manage this critical undertaking.

The authority will act as a single point of accountability by consolidating multiple public bureaucracies, combining insurance pools where appropriate to share risk and addressing ways reduce costs and increase quality.

Noting the UNM Health Sciences Center venue for the press conference, Governor Richardson also announced his push for new funding for health care scholarships and loan repayments.

“We have a rich source of tomorrow’s physicians, nurses and other health professions here at UNM Health Sciences Center and around the state, but these residents and others need help to live and practice in every part of our state,” stated Governor Bill Richardson. “So I’m calling on the legislature to double the funding for the healthcare professional loan repayment program, medical school scholarships, health service corps and to help nursing faculty obtain advanced degrees.”

Governor Richardson’s *Health Solutions New Mexico* Plan proposes \$1.8 million to double the current funding for professional loan repayments, scholarships and other initiatives designed to recruit and retain physicians, dentists and nurses; \$800,000 to further information technology investments in telehealth and electronic health transactions; and a \$1.3 million one-time start-up fund for the Health Coverage Authority.

The Governor reconfirmed his commitment to enrolling all eligible children in Medicaid. Approximately 57,000 children are eligible, but not enrolled in Medicaid or SCHIP. His FY09 budget will include additional funding to continue progress toward this goal

The Health Solutions plan will also address the second year of his commitment to expanding coverage for adults under 100% of the federal poverty level. Low-income adults cost about three times as much as children, with costs driven in large part by actions currently being discussed in Congress. The Governor’s FY09 budget proposal will include additional funding for the next phase of this effort, and will work with the legislature to assure that any expansion of coverage will be done in a fiscally responsible approach

Comments on Health Solutions New Mexico

Senator Dede Feldman (D) Bernalillo County— “I congratulate the Governor on his commitment to this very important issue for the people of New Mexico. His proposal is a great starting point and is going in a good direction.”

Rep. Brian Moore (R) Curry, Harding, Quay, Roosevelt, San Miguel and Union Counties – “As state governments all over the country grapple with complex and expensive health care issues, I was very grateful for the opportunity to help look for solutions that will work all over New Mexico. While this process is far from finished, I think we have come a long way in understanding the particular and unique challenges we face. Now, I look forward to working with the Governor, the Lieutenant Governor, and other legislators to begin implementing the committee’s health care concepts this next legislative session.”

Jim Hinton, President and CEO, Presbyterian Health Services – “Governor Richardson is leading on an issue that is critically important to the health of New Mexico – the fact that one in five New Mexicans has no health insurance. It not only affects those without health insurance, but it shifts the costs to all of us who pay into the system. The Governor has focused on the right kind of solutions, bringing the best of the public and private sectors together. We appreciate the thoughtfulness of these recommendations and the open process that has created them.”

Paul Sowards, Bank of Albuquerque – “The cost of health care and health care insurance is a critical issue for the business community and we’re pleased that the Governor and legislative leadership allowed the business community to participate in the committee and work on this critical legislation. We are happy that the Governor is addressing this very important issue and are vigorously studying his proposal.”