



Bill Richardson
Governor

NEW MEXICO HUMAN SERVICES DEPARTMENT
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

Pamela S. Hyde, J.D.
Secretary

Contact Betina Gonzales McCracken 505 827-6245
For Immediate Release

Governor and Legislative Leadership Receive Universal Health Coverage Policy Recommendations

Report Emphasizes Reform is Less Costly Than the Status Quo

Santa Fe, August 9, 2007 – The Health Coverage for New Mexicans Committee (Committee) has submitted its policy recommendations to Governor Bill Richardson and the New Mexico Legislature for a statewide universal health coverage plan.

“The most important thing we have learned is that now is the time to act,” said Lieutenant Governor Diane Denish, chair of the Committee. “In the long run, making no change in the current health care system would be more costly than moving forward with some type of reform.”

The 23-member Committee and four advisors, appointed by the Governor and the Legislative leadership in August 2006, were charged with identifying three to five different comprehensive universal health coverage models to be analyzed financially and make recommendations based on the analysis including comprehensive legislation to be considered during the 2008 session.

A nationally recognized consultant, Mathematica Policy Research Inc., conducted an extensive quantitative and comparative analysis of the three health coverage models chosen and a comparison to the current system.

The Committee did not endorse any particular model; rather it agreed that certain components of each model showed potential for inclusion in a major health coverage reform for New Mexico. The Committee chose to recommend elements it considers vital to a statewide health coverage policy. While certain subjects require further study, many recommendations may be implemented without delay following the successful passage of legislation in 2008. The Committee’s key policy recommendations include:

1. Create a single statewide unified health care authority or governance structure based on the guiding principles adopted by the Committee that would be charged with implementing health care reforms regarding universal coverage, cost and quality controls and oversight of health care delivery in New Mexico.
2. Maximize enrollment in Medicaid and SCHIP as soon as economically feasible.
3. Reform New Mexico health insurance and HMO requirements to move towards guarantee issue for individuals regardless of health status or pre-existing condition; require a standard percent of premium collected by insurance companies to be spent on direct services; lower the twenty percent that insurance carriers can add to small group rates due to health status and claims experience and implement common data reporting.
4. Allow employers to buy into the state employee health risk pool and individuals without access to commercial insurance to buy into a Medicaid benefit plan.

5. Consolidate or create larger health insurance risk pools where beneficial and consolidate public administrative functions.
6. Require individuals to obtain coverage through public programs or commercial insurance.
7. Require employers to contribute in some way to coverage for employees.
8. Maximize health information technology such as enrollment, develop electronic medical records, diagnosis, billing claims, provider payment and reimbursement.
9. Increase provider recruitment and retention through incentives.
10. Consider a state-operated reinsurance or risk equalization program to distribute risk and manage the effects of catastrophic claims on any one pool due to medical procedures.

The Committee arrived at a general consensus that increasing health care coverage is critical for all New Mexicans given our high rate of uninsured and low per capita income levels, and the correlation between coverage and improved access to health care.

The complete Committee report and recommendations, including recommendations for further analyses and the process for next steps can be found at <http://insurenwemexico.state.nm.us/HCNMC>.

###