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Governor Richardson's Legislative Health Reform Agenda Includes Insurance Reform, Electronic Medical Records and Public Insurance Consolidation

Santa Fe, New Mexico – Today Governor Bill Richardson's Health Reform Agenda for the 2009 Legislative Session was unveiled. The package of 10 bills focuses on Electronic Medical Records, Consolidation of Public Coverage Programs, and Insurance Reform to increase access to coverage and quality health care for all New Mexicans.

"Health care access and coverage is an economic issue for thousands of New Mexicans," said Governor Richardson. "That is why it is more important now than ever before to find solutions for the many families who are struggling to pay the rising cost of their insurance and medical bills."

Electronic Medical Records is an effort to recognize the move from paper to electronic records that helps to control costs, reduce errors, and increase quality. It is critical to protecting the privacy of these records as they are increasingly in electronic form.

1. **Electronic Medical Records** – Allows for the creation, maintenance and use of electronic medical records; clarifies individual rights with respect to the disclosure of information contained in electronic medical records; clarifies the protection of privacy of electronic medical records.

In an effort to save tax dollars and streamline services, Consolidation of Public Coverage Programs will allow for administrative efficiencies, increase lives covered, reduce duplicate and competing efforts, and increase portability of health plans.

2. **NM Health Policy Commission Move to DOH** – Consolidates the NM Health Policy Commission into the Department of Health, creating the Office of Health Policy. This consolidation of publicly-funded health policy agencies will increase the efficiencies of two agencies both charged with planning, policy development and data analyses, and both experiencing inadequately funded resources. It would restore the original organizational design of the health policy commission being within DOH.
3. **NM Health Insurance Alliance Move to HSD** – Consolidates the NM Health Insurance Alliance in the Human Services Department. This move will consolidate agencies with similar missions and serving similar populations, create a one-stop shop for small employers and individuals seeking coverage, and maximize federal dollars.
4. **IBAC Consolidated Purchasing** – Amends the Health Care Purchasing Act to consolidate health plan purchasing of four agencies covering school employees, state and

local employees and retirees. The Interagency Benefits Advisory Committee (IBAC) agencies include the General Services Department, the Retiree Health Care Authority, the Albuquerque Public Schools, and the Public Schools Insurance Authority. These agencies would be required to develop common health benefits packages for common populations and would be required to purchase plans and certain administrative functions together, to allow for leveraging of public buying power and the ability to retain the same coverage options when moving from one agency to another.

Insurance Reform focuses on requiring insurance companies to spend more money on direct services, not bureaucracy and cover those with pre-existing medical conditions. It also gives more options for employees to help pay for coverage as well as providing options for domestic coverage.

5. **Coverage of Domestic Partners** – Requires private commercial insurance carriers to offer health insurance coverage for those small employers who *elect* to offer this coverage for the domestic partners of their full- and part-time employees.
6. **Small Group Rating Reduction** – Requires that the percentage of annual increase in premium rates due to health status for health benefit plans subject to the Small Group Rate and Renewability Act will be reduced over a five-year period from 20 to 10 percent; and redefines “small group” to include self-employed individuals.
7. **Guaranteed Issue of Health Plans for Individuals** – Requires insurance companies to offer coverage to any individual who requests it, without exclusion of pre-existing conditions, and eliminates gender as a premium rating factor.
8. **Employer Offered Pre-Tax Health Plans** – Requires employers to offer IRS Section 125 pre-tax plans to interested employees not otherwise offered coverage, to hold down the cost of health coverage for these employees.
9. **Direct Services Expenditures at 85%** - Requires a health insurer to spend at least 85 percent of the amount it collects in premiums for coverage across all health product lines over a three-year period.

Finally, Governor Richardson proposes a solution to the disagreements of the past and a compromise approach to New Mexico’s health coverage process, without the addition of additional state bureaucracy.

10. **NM Health Plan** – Seeks to move forward on decreasing the number of uninsured New Mexicans and addressing cost, quality and access issues, without creating a new and costly government entity or commission while retaining current constitutional legislative and executive functions and without delaying reform for additional study. The Legislative and Executive branches would work together toward agreed upon health outcomes and coverage approaches, including development of common benefit options that employers and individuals could buy into, utilizing Medicaid and other public funding where applicable, and premium assistance to the extent resources are available.

“This package of health care reform legislation fits in this year’s agenda of creating jobs and balancing a tight budget. This is the right time to tackle these issues to help secure affordable health coverage and quality healthcare for all New Mexicans,” said Governor Richardson.

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