

Henry P. Roybal
Commissioner, District 1

Anna Hansen
Commissioner, District 2

Ed Moreno
Commissioner, District 5



Rudy N. Garcia
Commissioner, District 3

Anna T. Hamilton
Commissioner, District 4

Katherine Miller
County Manager

M E M O R A N D U M

DATE: January 15, 2019

TO: Board of County Commissioners

VIA: Katherine Miller, County Manager

RE: A Resolution in Support of the Proposed Health Security Act in the 2019 Legislative Session. (Commissioner Moreno and Commissioner Hansen)

SUMMARY

Under the Affordable Care Act, states can receive an innovation waiver to develop their own plans. In this proposal, New Mexico will set up its own health insurance plan and will cover almost all New Mexico residents. The Plan shifts private insurance to a supplemental role. Plan members have guaranteed access to comprehensive, quality health care coverage, regardless of income level or health and employment status.

ACTION REQUESTED

Commissioner Moreno and Commissioner Hansen respectfully request the Board of County Commissioners support and approve this item.

SANTA FE COUNTY

RESOLUTION NO. 2019-

A RESOLUTION IN SUPPORT OF THE PROPOSED HEALTH SECURITY ACT IN THE 2019 LEGISLATIVE SESSION

WHEREAS, on January 8, 2008, the Board of County Commissioners of Santa Fe County (“County”) adopted Resolution 2008-1 urging the New Mexico State Legislature to pass the Health Security Act; and

WHEREAS, on March 23, 2010, President Barack Obama signed the Patient Protection and Affordable Care Act (“Affordable Care Act”), which is the nation’s first successful effort to provide comprehensive, affordable, and quality health care coverage; and

WHEREAS, the Affordable Care Act has reduced the overall number of uninsured residents in New Mexico; and

WHEREAS, uninsured adults in New Mexico between the age of 19 and 64 have decreased from 28% in 2013 to 13% in 2018 as a result of expanded opportunities for health care coverage provided by the health exchanges established under the Affordable Care Act and the expansion of the Medicaid program; and

WHEREAS, despite the improvements created by the Affordable Care Act, thirteen (13) percent of County residents under the age of 65, or 14,723 adults, lack health insurance; and

WHEREAS, despite the improvements created by the Affordable Care Act, seven (7) percent of County residents under the age of 19, or 2,177 children, lack health insurance; and

WHEREAS, the cost of health care including premiums, insurance deductibles, patient co-payments, and pharmaceutical drugs, continues to increase; and

WHEREAS, the cost of health care, and its increase from year to year, remain serious problems that impacts the County’s residents and families, as well as the County and state budgets; and

WHEREAS, access to and the rising cost of health care have become major issues of concern for the County’s residents; and

WHEREAS, numerous studies, including two recent studies in New Mexico, show that allowing the state’s residents to join a single health risk pool would reduce health care costs, uncompensated care,

and administrative complexity, reap the benefits of economies of scale, and establish a more stable health care system for the benefit of all residents of New Mexico; and

WHEREAS, elected and federal officials in Washington, D.C. are giving the clear message that the states need to take the lead in health care reform; and

WHEREAS, the Affordable Care Act allows a state to receive a waiver for innovations in health care that are more appropriate to its particular circumstances; and

WHEREAS, the Health Security Act is a homegrown state plan that has been developed over many years with input from diverse sectors from across New Mexico; and

WHEREAS, the Health Security Act will enable New Mexico to set up its own health plan that provides the state's residents with access to comprehensive, affordable, and quality health coverage regardless of their age, employment, and health status; and

WHEREAS, the plan created by the Health Security Act will generate savings which can be reinvested in needed health infrastructure and services, including mental and behavior health care services; and

WHEREAS, the plan created by the Health Securities Act will reduce the County's expenditures on health care, allowing the County to redirected those resources to other critical needs such as economic development, education, public safety, and infrastructure; and

WHEREAS, over the years, the Health Security Act has been endorsed by more than thirty five (35) cities and counties and one hundred sixty (160) organizations representing a broad cross-section of the state's residents; and

WHEREAS, on January 4, 2019, the Santa Fe County Health Policy and Planning Commission voted to recommend that the Board of County Commissioners express its support for the Health Security Act in the 2019 Legislative Session.

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners of Santa Fe County urges the New Mexico State Legislature to adopt the Health Security Act; and

BE IT FURTHER RESOLVED that a copy of this Resolution be forwarded to the Santa Fe Legislative Delegation; and

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to the New Mexico Association of Counties.

PASSED, APPROVED, AND ADOPTED THIS 29TH DAY OF JANUARY, 2019.

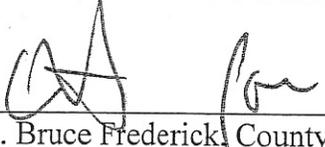
**BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY**

Anna Hamilton, Chair
Board of County Commissioners of Santa Fe County

ATTEST:

Geraldine Salazar, County Clerk

APPROVED AS TO FORM:



R. Bruce Frederick, County Attorney



The New Mexico Health Security Act

It's time for New Mexico to take control of its health care destiny by setting up its own health coverage plan. Under the Affordable Care Act, states can receive an innovation waiver to develop their own plans. And there is no question that there is a strong message coming from Washington, DC, to encourage states to take on the responsibility for providing health care coverage.

The need for new approaches has taken center stage. The current situation—with rising premiums and copays, drug price increases, a trend toward plans with high deductibles, and shrinking provider networks—is unsustainable.

The New Mexico Health Security Act, which has been vetted by diverse New Mexicans for years, provides a well-thought-out solution.

What the NM Health Security Act proposes:

Under the proposal, New Mexico will set up its own health insurance plan—the Health Security Plan—that will cover almost all New Mexico residents. (Federal retirees, active duty and retired military, and TRICARE recipients will continue with their federal plans. The tribes, as sovereign nations, may choose to join the Plan. Health plans covered under ERISA have the option of joining the Plan.)

The Plan shifts private insurance to a supplemental role (as traditional Medicare does). Plan members have guaranteed access to comprehensive, quality health care coverage, regardless of income level or health and employment status.

A carefully considered approach:

- ✓ **Phase 1:** The financial analysis phase, when the Legislative Finance Committee, with public input, will determine:
 - The cost of the Plan
 - Individual premiums and employer contributions
 - Workers' compensation and automobile insurance premium reductions
- ✓ **Phase 2:** Legislative and gubernatorial approval of the financial analysis report. If not approved, the Plan will not go into effect.
- ✓ **Phase 3:** Development of the Plan, with legislative, executive, and public input, and application for any waivers needed so the Plan can begin operations and receive all federal tax credits and subsidies.

The NM Health Security Plan also:

- Guarantees choice of provider, even across state lines
- Guarantees a good benefit package that must be as comprehensive as the services offered state employees
- Preserves the private delivery system (private physicians, hospitals, etc.)
- Provides strong protections for retirees
- Reduces overhead costs for health care providers and facilities

An old-fashioned solution to our current crisis:

Today, we pay for a segmented system of hundreds of insurance plans that create a costly and complex administrative system. The Plan is based on the old-fashioned concept of insurance, where the young, the old, the healthy, and the not so healthy are all in one large insurance pool. The risk is shared, while administrative costs are reduced. *Doesn't this make sense for a state with a small population?*

This proposal has been reworked for many years. Input has been received from all over the state. It is not an imitation of the Canadian, Taiwanese, or British systems, nor is it modeled after any other state's proposals. It is a **New Mexico solution**.

A cost-effective proposal:

A 1994 New Mexico study by the independent think tank The Lewin Group estimated that \$4.6 billion could have been saved by 2004 had all New Mexicans been under one plan by 1997. While not all New Mexicans are covered by the Health Security Plan, even if half that amount is saved, that is significant for our state. Mathematica Policy Research, Inc., concluded in 2007 that the Health Security Act was the only proposal that would significantly reduce health care costs, even in its first year of operation. Other state studies also have shown that covering all or most state residents through one insurance plan controls rising health care costs. And these studies were conducted *prior* to passage of the ACA.

Who will administer the NM Health Security Plan?

- **An independent, non-governmental commission** with 15 geographically representative commissioners oversees the Plan.
- 10 commissioners must represent consumer and employer interests and 5 must represent provider and health facility interests.
- The publicly accountable commission will be subject to the Open Meetings Act. Its budget will be available for public scrutiny, and patient/provider privacy will be protected.

Who will pay for the NM Health Security Plan?

Public and private dollars will be pooled into one fund. Funding sources include federal and state monies spent on health care (Medicaid and Medicare, for example), plus (for Plan members) individual premiums (based on income, with caps) and employer contributions (with caps). Employers may cover all or part of an employee's premium obligations. If federal premium subsidies and tax credits continue, these would also be included.

About the Health Security for New Mexicans Campaign

Established in 1992, the Health Security for New Mexicans Campaign is a statewide, nonpartisan coalition of over 160 organizations and numerous individual supporters. Its mission is to establish a publicly accountable system of guaranteed, comprehensive, and affordable health care coverage for all New Mexicans.

Advantages to Providers from the NM Health Security Plan

To grasp what this statewide, cooperative-style, premium-based Plan would look like, imagine the following:

- No insurance company networks, which currently greatly complicate the lives of both Providers and patients
- One set of prior authorization and formulary rules and data sets for almost all patients we treat
- Utilization rules made by an accountable, independent, nonprofit, geographically representative commission, with open meetings and 1/3 of its members representing Provider and health facility interests
- Every NM resident having comprehensive health coverage
- Mental and behavioral health care being covered the same as other medical services
- The large patient-care obstacle of out-of-pocket costs being reduced
- Patients no longer being confused and worried about what's covered and how their coverage works
- Drug prices being negotiated down to reasonable levels for all patients
- No more arguing with multiple insurers regarding the terms of "fair" contracts
- Ready access to dispute resolution for financial issues Providers might have with the Plan
- Lower practice and hospital costs for billing and prior authorizations
- Little wasting of health care dollars on marketing of insurance plans and insurers' schemes to only cover the healthy
- Far fewer middlemen (clerks and reviewers) making health decisions
- Elimination of most of the cost-shifting, for both inpatient and outpatient care

