



## Why the Health Security Act Is Good for New Mexico

**Summary:** This year's Health Security Act calls for a multi-year implementation rollout, this year's legislation, **Health Security Planning and Design**, will require a publicly accountable and transparent process for making HSA design decision and put those provisions in place so that enrollment can occur and providers can be paid. Public input will be sought, advisory committees will be created, and consultants will be hired during this critical process. Planning and design model called for in 2021 replicates the process used in Canada where the province of Saskatchewan first conducted a planning and design phase before implementing universal healthcare. The results in Saskatchewan were so positive both in terms of costs and satisfaction that Canada adopted the plan soon after Saskatchewan.

Once implemented, the statewide HSA Plan will automatically cover nearly all New Mexicans, offer a comprehensive set of healthcare services, provide freedom of choice of healthcare provider and facility (no more networks) even across state lines, and will simplify administration since it is not dependent on the costly and complicated private insurance system. The Health Security Act would enable our state to create its own comprehensive, affordable health care plan that covers almost all New Mexicans. Private insurance would play a secondary role, offering supplemental policies. The plan would exclude military members, retirees, and military families as well as federal retirees because they have their own federal insurance plan. Two groups could join voluntarily: tribes, as sovereign nations, and companies and unions that are self-insured and come under a federal law called ERISA.

**History:** After nearly three decades of effort by the Health Security for New Mexicans Campaign and two studies (Lewin 1994 and Mathematica 2007) that concluded that such a plan would save hundreds of millions of dollars within five years of implementation, in 2019 the State Legislature passed HM 92 Health Security Plan Analysis. HM 92 called for a fiscal analysis, which was completed by KNG Health Consulting of Maryland in the summer of 2020.

### Why This Legislation is Good for New Mexico:

- The 2020 study by KNG (see above) concluded that the Plan would reduce the percentage of uninsured New Mexicans to almost zero and reduce state spending by \$1.6 to \$2.7 billion.
- The Plan allows freedom of choice of providers without networks. Choice includes providers and health facilities across state lines.
- The Plan offers services equal to those in the state employees' health plan, including behavioral health.
- The Plan is administered by a nongovernmental, geographically representative public commission structured much like a cooperative. No one from the insurance industry will serve on the commission. All commission meetings will be open to the public, and their account books are also public. All commissioners will receive their own coverage through the Plan.
- Premiums will be based on income, with minimums and maximums.
- Only those who are covered by the Plan are required to pay.
- The Plan preserves the existing, private healthcare delivery system.
- Employer contributions will be based on payroll and number of employees, with minimums and maximums.
- Employers and individuals who wish to purchase supplemental insurance may do so (as with traditional Medicare).
- The Plan is a New Mexico solution, with years of input from diverse New Mexicans across the state.

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- Existing public dollars will be used (such as Medicaid) to help pay for the cost of the Plan.
- The plan controls costs by requiring bulk purchasing of drugs, medical equipment, and medical supplies.
- Hospitals and clinics will have guaranteed budgets and will no longer produce multi-page billing charges.
- With most New Mexicans covered by the Plan, the administrative burden on employers, providers, and health facilities will be reduced, lowering costs.
- NOTE: Medicare recipients may not be included initially because agreements will first need to be reached with the federal government to safeguard recipients' rights.

### **Supporting Organizations**

36 cities and counties and 170 organizations across New Mexico

(See <https://www.nmhealthsecurity.org> for the full list.)