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SENATE JOINT MEMORIAL 3

**52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

INTRODUCED BY

Gerald Ortiz y Pino

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

A JOINT MEMORIAL

REQUESTING THE NEW MEXICO LEGISLATIVE COUNCIL TO CHARGE THE INTERIM 2015 LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE WITH CONVENING A BASIC HEALTH PROGRAM TASK FORCE TO EXPLORE THE FEASIBILITY OF IMPLEMENTING A BASIC HEALTH PROGRAM TO COVER INDIVIDUALS WITH LOW INCOMES WHO ARE NOT ELIGIBLE FOR MEDICAID.

WHEREAS, the federal Patient Protection and Affordable Care Act, also known as the "Affordable Care Act" or "Obamacare", provides that states may establish a health insurance program for low-income individuals who do not qualify for medicaid coverage; and

WHEREAS, the individuals who may be covered under a basic health program are adult citizens of the United States with household incomes of one hundred thirty-eight percent to two hundred percent of the federal poverty level, also known as the

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1 "FPL", as well as noncitizen, legal permanent residents with  
2 incomes below two hundred percent of the FPL who are excluded  
3 from medicaid coverage during their first five years of  
4 residence; and

5 WHEREAS, the Affordable Care Act also provides individuals  
6 and families with incomes below four hundred percent of the FPL  
7 premium tax credits and cost-sharing subsidies on qualified  
8 health plan coverage available through state health insurance  
9 exchanges; and

10 WHEREAS, to assist states in funding a basic health  
11 program, the federal government would give participating states  
12 ninety-five percent of what the federal government would have  
13 provided to enrollees in the form of premium tax credits and  
14 cost-sharing subsidies that they would have received had these  
15 individuals and families purchased qualified health plans  
16 instead of enrolling in a basic health plan; and

17 WHEREAS, the state of New Mexico used to provide health  
18 coverage through the "state coverage insurance" or "SCI"  
19 program to adults who did not qualify for medicaid and whose  
20 incomes fell below two hundred percent of the FPL; and

21 WHEREAS, since January 1, 2014, the state of New Mexico  
22 has exercised its option under the Affordable Care Act to  
23 expand medicaid coverage to otherwise ineligible adults with  
24 incomes below one hundred thirty-eight percent of the FPL; and

25 WHEREAS, adult New Mexicans whose incomes are above one

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1 hundred thirty-eight percent of the FPL must now purchase  
2 health insurance on the private market, either through the New  
3 Mexico health insurance exchange or elsewhere; and

4 WHEREAS, the average monthly premium on the New Mexico  
5 health insurance exchange for a qualified health plan is two  
6 hundred thirty-two dollars (\$232); and

7 WHEREAS, the Affordable Care Act requires that basic  
8 health program premiums be lower than the second-lowest-cost  
9 plan offered at the "silver" level, or an eighty percent  
10 actuarial value, of qualified health plans on the New Mexico  
11 health insurance exchange; and

12 WHEREAS, the state of Minnesota has implemented a "look-  
13 alike" health coverage program for low-income adults, and for  
14 an enrollee with an income at one hundred seven percent of the  
15 FPL, premiums are just thirty-three dollars (\$33.00) a month,  
16 with a thirty-three-dollar (\$33.00) annual deductible and a  
17 three-dollar (\$3.00) co-payment per primary care or specialty  
18 care office visit; and

19 WHEREAS, even with premium tax credits and cost-sharing  
20 subsidies, the New Mexico health insurance exchange reports  
21 that fifty-six percent of New Mexicans have cited affordability  
22 as the primary reason why they do not have health insurance;  
23 and

24 WHEREAS, for the average qualified health plan enrollee  
25 with an income of one hundred seventy percent of the FPL, the

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1 urban institute states that the monthly premium would be eighty  
2 dollars (\$80.00) with a federal subsidy; the annual deductible  
3 would be seven hundred fifty dollars (\$750), and co-payments  
4 for primary care would be ten dollars (\$10.00) per visit, and  
5 for specialists, the co-payment would be thirty dollars  
6 (\$30.00) per visit; and

7 WHEREAS, the basic health program has the potential for  
8 increasing the number of insured New Mexicans, thus increasing  
9 access to health care services and decreasing the amount of  
10 uncompensated care in the state;

11 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
12 STATE OF NEW MEXICO that the New Mexico legislative council be  
13 requested to charge the chair of the interim 2015 legislative  
14 health and human services committee with convening a basic  
15 health program working group during the 2015 interim to analyze  
16 the feasibility of implementing a basic health program in the  
17 state to increase access to health coverage for low-income  
18 adults who are not eligible for medicaid coverage; and

19 BE IT FURTHER RESOLVED that the chair of the legislative  
20 health and human services committee be requested to invite to  
21 participate in the basic health program working group experts  
22 in the areas of health coverage, actuarial science, health care  
23 finance, public benefits and public finance, including  
24 representatives from the office of superintendent of insurance,  
25 the human services department and the legislative finance

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1 committee; and

2 BE IT FURTHER RESOLVED that the basic health program  
3 working group be requested to study and make recommendations  
4 regarding:

5 A. the options that New Mexico has for financing  
6 the basic health program using federal grants;

7 B. whether state funds should be allocated to keep  
8 premiums and cost-sharing affordable for low-income New  
9 Mexicans;

10 C. what safeguards may be available for avoiding  
11 any adverse risk pooling or for adverse selection;

12 D. the possibilities for reducing "churn" between  
13 public and private health coverage;

14 E. the effect of a basic health program on the New  
15 Mexico health insurance exchange;

16 F. the costs of administering a basic health  
17 program; and

18 G. any legislation necessary to create a basic  
19 health program; and

20 BE IT FURTHER RESOLVED that copies of this memorial be  
21 transmitted to the president pro tempore of the senate, the  
22 speaker of the house of representatives, the chair of the  
23 legislative health and human services committee, the chair of  
24 the legislative finance committee, the secretary of human  
25 services and the superintendent of insurance.

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