



The New Mexico Health Security Plan

Ensuring universal coverage for our state

What is the Health Security Plan?

With legislation passed in 2021, New Mexico will begin the process of designing its own health plan—the Health Security Plan—to make certain that all state residents have comprehensive health care coverage.

What about private insurance?

The Health Security Plan is a **system change** that switches private insurance to a secondary role.

Private insurers will be able to offer **supplemental policies**, as they do in many other nations that offer universal health care.

Highlights

The Health Security Plan will:

- Shift private insurance to a supplemental role
- Provide comprehensive, quality services (no less than what is currently offered to state employees)
- Offer freedom of choice of health care providers, including across state lines (no more networks!)
- Set premiums based on income, with caps
- Establish employer contributions based on payroll and number of employees
- Control costs through mechanisms such as bulk purchasing of pharmaceutical drugs and medical equipment and supplies

Who is covered?

Short answer: Almost all New Mexico residents.

Exceptions:

3 groups will continue to be covered by their current federal plans:

- Federal retirees
- Active duty and retired military
- TRICARE recipients

2 groups can choose to join the plan:

- Native American tribes
- Self-insured companies (like Intel)

A note about Medicare

In order for **Medicare recipients** to be included in the Plan, agreements will have to be reached with the federal government to safeguard seniors' rights.

Negotiations will also need to be undertaken regarding Medicare supplements (whether from a former employer or purchased individually) so that retirees do not lose any benefits they are entitled to.

To ensure these protections, Medicare recipients might not be included in the Plan right away.

Who runs the Plan?

An independent, nongovernmental commission with 15 geographically representative commissioners oversees the Plan.

- 10 commissioners represent consumer and employer interests
- 5 commissioners represent provider and health facility interests
- All commissioners must be covered by the Plan; the majority will represent rural areas of the state

The publicly accountable **Health Security Plan Commission** will be subject to the **Open Meetings Act**. Its budget will be available for **public scrutiny**, and patient/provider privacy will be protected.

How is the Plan paid for?

- Existing public dollars, including federal and state monies spent on health care.
- Plan members' premiums. *Premiums are based on income, with caps.*
- Employer contributions. *Employer contributions are based on payroll and number of employees, with caps.*
- Federal premium subsidies and tax credits.

How does the Plan benefit *you*?

- Guarantees **choice of health care providers**, even across state lines. No networks or required referrals. You have *choice where choice matters*.
- Covers a **comprehensive set of health care services**, which must be equivalent to those now offered to state employees.
- Provides **affordable coverage**, with premiums based on income (with caps).
- **Stays with you** when you change jobs, strike out on your own, or become unemployed, ensuring true *health security*.

The Health Security Plan also:

- Fully protects those with **preexisting conditions**.
- Does away with **surprise billing** (when you receive a bill from an out-of-network provider that you thought was in-network).
- Preserves the existing **private delivery system** (private doctors, hospitals, etc.).
- Reduces **overhead costs** for health care providers and facilities.
- Provides a stable source of revenue for hospitals and clinics through **global budgets**.

A great investment for New Mexico

Three New Mexico studies have now concluded that the Health Security Plan will **cost less than the current system** and ensure that nearly **everyone in the state has health coverage**.

Now it's time to create the critical design elements that must be in place prior to starting up the Plan.

The **2021 Health Security Planning and Design legislation** establishes a process through which these needed design decisions will be made, so that enrollment in the Plan can begin and health care providers can be paid. This publicly accountable and transparent process will take approximately 4 years.

2021 legislation

The 2021 legislation will create the **Health Security Planning and Design Board**, whose members will have the necessary expertise to begin making decisions about the key details of the Plan.

The Board will then hand over the job to the **Health Security Plan Commission**.

The Commission, which will ultimately be responsible for administering the Plan, will complete the final design elements, have a cost analysis conducted, and develop a funding system, before obtaining legislative and executive approval for enrollment in the Plan.

Next steps

New Mexicans cannot afford to wait any longer to start setting up the NM Health Security Plan.

We must make sure that the Health Security Planning and Design legislation is passed now, **in 2021**, so that the detailed setup decisions—which will take time and require lots of public input—can finally be made!

**Get
involved!**

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Security a
reality.**

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