AFFORDABLE CARE ACT
HEALTH INSURANCE EXCHANGES

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## Health Insurance in NM
(approximate numbers)

<table>
<thead>
<tr>
<th>Total NM population</th>
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</thead>
<tbody>
<tr>
<td><strong>Total NM population</strong></td>
<td>2,000,000</td>
<td></td>
</tr>
<tr>
<td>Private (mostly employer-based, some individual)</td>
<td>500,000</td>
<td>25%</td>
</tr>
<tr>
<td>Medicare (elderly and disabled)</td>
<td>300,000</td>
<td>15%</td>
</tr>
<tr>
<td>Medicaid (low-income children, nursing homes, disabled, &amp; very poor parents)</td>
<td>550,000</td>
<td>28%</td>
</tr>
<tr>
<td>Other public (public employees insurance, Indian Health Service)</td>
<td>160,000</td>
<td>9%</td>
</tr>
<tr>
<td>Military (Tricare &amp; CHAMPUS)</td>
<td>50,000</td>
<td>3%</td>
</tr>
<tr>
<td>Uninsured (mostly low-income adults &lt;age 65, esp. childless adults)</td>
<td>420,000</td>
<td>20%</td>
</tr>
</tbody>
</table>
Affordable Care Act and the Uninsured starting January 1, 2014

• Half of the uninsured planned for Medicaid
  – Low-income adults up to 138% FPL
  – Supreme Court held states have option to implement this or not
  – Gov. Martinez hasn’t decided

Other half to get private insurance on Exchange
  – For individuals and small employers
  – Tax credits available for individual premiums if income <400% FPL
  – Out of Pocket Expense Limits
Health Insurance Exchanges

• A marketplace for medical insurance
• Web-based, similar to Travelocity, but there will be physical locations too, and call-in center
• Intended to be consumer-friendly for comparison shopping among plans
• Will include price calculator, including determining tax credits
Health Insurance Exchanges

• Each state to have an exchange
• Gov. Martinez has declared intention to have a New Mexico state-based exchange
• HSD submitted “Blueprint Application” on December 14, as required by the feds
• Information at: www.hsd.state.nm.us/nhcr/nhcrlao.htm
“No Wrong Door”

- Completely changes culture: each person is assumed to be qualified for coverage
- Exchange’s job is to figure out what coverage the person is eligible for, not to reject people
- People qualified for Medicaid get referred to HSD, but if all their information is transferred electronically—they shouldn’t have to start over
• Only “Qualified Health Plans” offered; plans must cover “essential health benefits”

• Ten categories of benefits:

<table>
<thead>
<tr>
<th>Ambulatory patient services</th>
<th>Prescription drugs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency services</td>
<td>Rehabilitative and habilitative services and devices</td>
</tr>
<tr>
<td>Hospitalization</td>
<td>Laboratory services</td>
</tr>
<tr>
<td>Maternity and newborn care</td>
<td>Preventive and wellness services, including chronic condition mgmt</td>
</tr>
<tr>
<td>Mental health and substance use</td>
<td>Pediatric services, oral and vision</td>
</tr>
</tbody>
</table>
Navigator Program

• ACA requires establishment of a “navigator program”
  – Provide outreach, education, and enrollment services
  – Advise whether people are eligible for Medicaid and send their information electronically to HSD
  – Cultural and linguistic competence required
  – Should build on existing networks: e.g., promotoras and FQHC’s
Status in New Mexico

• Martinez Administration has chosen NM Health Insurance Alliance to run Exchange
  – A quasi-public entity established by Legislature in 1994 to sell health insurance to individuals
  – Issue: must NM Legislature bless this decision, and may Legislature specify details?

• Issue: shall Exchange be “active purchaser” like Mass. (negotiating with plans) or open to all qualified plans, like Utah?
• Critical to have effective Navigator program
  – State-wide reach
  – Knowledge of and connections with local communities
  – Cultural and linguistic competence
  – Adequate numbers of navigators
  – Adequate training in Medicaid, private insurance and ACA provisions