

# NEW MEXICO HEALTH CONNECTIONS

## CREATING REAL VALUE AND TRUE COMPETITION FOR NEW MEXICANS

MARTIN HICKEY, MD, CEO

CON ALMA

NOVEMBER 30, 2012

# A BROKEN SYSTEM OF HEALTHCARE

- An escalating spiral
  - Higher premiums
  - Higher deductibles
  - More bad debt
  - More cost shifting
  - Less coverage
  - More spiral
- Fee for service
  - More procedures
  - More capacity (cost)
  - Accelerating spiral

# CO-OPS – THE BASICS

- ACA Health Reform
- 3.4 Billion in loans, 50 states
- CO-OP governance (member governed & elected)
- Not for profit
- Individuals and small businesses <100
- 138%-400% federal poverty level

# NMHC

- To be licensed by DOI under all applicable regulations
- Approved as a Qualified Health Plan on the Exchange
- Sold on and off the Exchange
- NCQA certified
- Statewide
- Membership 10/1/13; Insurance 1/1/14
- \$6 Million startup (repay 5 years)
- \$64 million solvency/line of credit (repay 15 years)

# VALUE PROPOSITIONS – TRANSPARENCY

- Not for profit
- Profits to rate reduction, benefit improvement
- No external investors
- No capital based conflicts

# VALUE PROPOSITIONS – LOWER COSTS

- Eliminate waste and unnecessary care: 30%-50%
- Patient Centered Medical Home Orientation
  - Primary care quarterback
  - Care coordination investment
    - Highly complex
    - On-ground community based
    - High-risk predictive modeling
    - Hospital to home transition
- Improved health status – less exposure
  - Fewer costly acute interventions
  - Fewer costly hospitalizations
  - More stable behavioral health

# VALE PROPOSITIONS – REVERSE INCENTIVES

- Shared savings to primary care, behavioral health
- Shared savings to high performance specialists
  - Referrals (patient navigation)
  - Efficient hospitals
- No longer rewarding high volume/piecework
- Enhance attractiveness of primary care

# VOLUME TO VALUE SUMMARY – FIXING HEALTHCARE

- Improving health status →
- Less acute interventions →
- Less cost, better health status!
- Primary care enhancement
  - Better pay
  - Better retention
  - Better health through coordination