

Health Care Reform: The Process Continues

Health care reform has stalled, then started again at the national level, but here in New Mexico we are slowly but surely putting the pieces into place. Yesterday the Governor signed a measure (HB12) that would direct at least 85% of premiums paid to health insurance companies go to medical care, rather than administration and profit. It's something that we've been trying to do for five years, and this year we did it, with the help of some of the big HMOs who has backed this all along. We also banned insurance companies from using gender for rating purposes (SB 148), hopefully leveling the playing field and preventing discrimination against women. Some women in NM are now paying 120% more for insurance premiums. Thanks to Sen. Nancy Rodriguez and Rep. John Heaton who sponsored the measures, the Human Services Department and the Governor who signed both of them.

These two issues were included a national plan, in both of the Senate and the House reform proposals, passed last year. Many of the reforms proposed in Washington were based on things that states have started in the past few years, bearing out the old adage that the states are the "laboratories of democracy," where innovative ideas are put into practice first and, in effect, become pilot projects for later adoption at the national level.

We've already done some of the other things that Obama is now proposing in the wake of his C-Span health care summit with Republicans. We allow 20-somethings to stay on their parents' plans, even if they are not full time students, until age 27. We do not allow health care insurance companies the unlimited ability to rescind policies when subscribers become sick and we have been piloting a new, lower-cost model of delivering care that (thanks to Sen. Jeff Bingaman) was proposed for funding in the US Senate bill. It's called the Medical Home. Thanks to a measure that passed the legislature last year, there are several "Medical Home" pilots in Taos and Silver city, designed to hook up patients with primary care providers, and wrap a coordinated web of prevention and services around the patient. Some of these are clinic-based; others involve teams and rural providers. The idea is to provide the right care at the right time at the right price. This year's legislature expanded on the idea by adding prescribing pharmacists and osteopaths to the team.

Since New Mexico has the second highest number of people without insurance, in the past few years the state has tried to maximize it's Medicaid program to provide coverage to as many people as possible. Low-income women and children have been the primary recipients, but now working

adults can receive coverage under the State Coverage Insurance (SCI) Program. This is a program where employers, employees, the state and the federal Medicaid program each contribute to allow people who earn a family income up to \$36,600 for a family of 3 to buy health insurance at an affordable rate. The SCI program is New Mexico own public-private option and it is working—almost 40,000 people are enrolled.

The trouble is that with the state budget under extreme duress, there is pressure to cut the Medicaid program, even though it brings in a hefty match of three federal dollars-to-each general fund dollar. Enrollment in the SCI has already been suspended and the whole Medicaid program has only been able to approach an even keel because of stimulus money that will run out at the end of the year.

With financial troubles everywhere, every state is in the same predicament, which is why all eyes are on Washington. Sen. Bingaman assured New Mexico health officials in December that help was on the way-- either in a Jobs or Health Care bill— and the budget passed in the Special Session assumed \$80 million from the feds for this purpose.

But there has been no commitment yet. The plan Obama floated before the recent summit includes an 8% boost in the Medicaid matching rate for certain medical services for states like New Mexico which have already invested in helping the uninsured.

That would be a big help in a year where New Mexico legislators and health policy makers are embarking on a process of “restructuring” Medicaid to fit shrinking revenues to an expanding number of needy recipients.

And, when and if, health care reform does pass in DC this year, New Mexico will be ready with a Health Care Reform Working group to make sure our own innovative high risk insurance pool and state insurance exchange are ready to roll. That’s thanks to another measure (SJM 1), which I sponsored in the recent legislative session.

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