Medicaid Buy-In

A Roadmap for New Mexico

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I...worked on this Medicaid buy-in proposal for half a year...and...I just...have seven minutes to present it at the 2018 Families USA Conference.
Our Top 3 Goals for a Medicaid Buy-In

- Bring down costs for consumers without cutting benefits
- Increase the number of people with health coverage
- Strengthen the integrity of the state Medicaid system
Why Medicaid?

- Medicaid covers more benefits at a lower cost than private insurance.
- Medicaid is a trusted program that has served New Mexico for 50 years.
- Medicaid already covers over 40% of people in New Mexico - A BIG RISK POOL!
Who’s eligible?

- People who are uninsured
- People in the individual market
- Employers/workers
  - State employees
- Immigrants

Who’s not eligible?

- People who are eligible for traditional Medicaid
- People who are eligible for Medicare
Affordability

According to the Kaiser Family Foundation, the per member per month cost to cover an adult eligible for full Medicaid benefits is $297.

**INDIVIDUAL MARKET:** Enhanced subsidies available via 1332 waiver

**EMPLOYER MARKET:** Employers can contribute to employee’s Medicaid plan

Ideally, these markets would merge into Medicaid’s risk pool.
Health Action NM proposes:

- Applying for a 1332 waiver under the Affordable Care Act to assume control of the law's premium tax credits;
- Allowing ACA premium tax credits to be used to purchase Medicaid;
- Using the savings generated by lower cost Medicaid plans to make financial assistance more generous.
## 1332 Waiver

<table>
<thead>
<tr>
<th>Income (% poverty)</th>
<th>ACA Premium Caps (% of Income)</th>
<th>NMCare Premium Caps (% of Income)</th>
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</thead>
<tbody>
<tr>
<td>138%-150%</td>
<td>3%-4%</td>
<td>2%</td>
</tr>
<tr>
<td>150%-200%</td>
<td>4%-6.3%</td>
<td>2%</td>
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<tr>
<td>200%-250%</td>
<td>6.3%-8.05%</td>
<td>2%</td>
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<tr>
<td>250%-300%</td>
<td>8.05%-9.5%</td>
<td>3%</td>
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<tr>
<td>300%-400%</td>
<td>9.50%</td>
<td>4%</td>
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Health Action NM proposes:

- Establishing a state-based automatic enrollment system before submitting a 1332 waiver to boost enrollment
- Using an insurance status tax form and state wage data to identify the uninsured and determine eligibility
- Automatically enroll individuals who are eligible for a low cost plan into health coverage
Boosting Provider Reimbursements

Medicaid reimbursement rates can often be below the cost of care.

- As more individuals buy into the Medicaid program, New Mexico will gradually increase Medicaid reimbursement rates to Medicare levels.
- New Mexico Medicaid reimburses providers at 89% of what Medicare pays on average.
- New Mexico has an 80% FMAP, allowing the state to increase rates without needing to raise taxes substantially.
Timeline

2019: 1) Pass legislation to authorize a Medicaid buy-in option and grant authority to the governor to apply for a 1332; 2) Pass legislation to establish an automatic enrollment system

2020: 1) Begin implementing an automatic enrollment system; 2) Begin offering a transitional Medicaid public option on the exchange; 3) Apply for a 1332 waiver

2021: 1) If 2020 waiver is rejected and we have a change in administration, apply for a 1332 again. 2) If 2020 waiver is not rejected, begin implementation of full Medicaid buy-in.
Thank you!

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