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# Medicaid Buy-In

— A Roadmap for New Mexico —

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Colin Baillio  
Director of Policy & Communications  
Health Action New Mexico  
Colin@HealthActionNM.org



# NMCare

Caring for New Mexico's families.





**Colin B**

@colinb1123

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.

1/17/18, 4:57 PM

# 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.

# 1332 Waiver

## 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

<b>Income (% poverty)</b>	<b>ACA Premium Caps (% of Income)</b>	<b>NMCare Premium Caps (% of Income)</b>
138%-150%	<b>3%-4%</b>	<b>2%</b>
150%-200%	<b>4%-6.3%</b>	<b>2%</b>
200%-250%	<b>6.3%-8.05%</b>	<b>2%</b>
250%-300%	<b>8.05%-9.5%</b>	<b>3%</b>
300%-400%	<b>9.50%</b>	<b>4%</b>

# Automatic Enrollment

## 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!**

Colin Baillio

Health Action New Mexico

[Colin@HealthActionNM.org](mailto:Colin@HealthActionNM.org)

(505) 331-8818

