

# Health Care Affordability Fund

## Making Health Insurance More Affordable

Office of Superintendent of Insurance  
September 1, 2021



# OSI Representatives



Julie Weinberg – Director of OSI’s Division of Life and Health

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# Agenda

- **OSI Presentation**
  - Affordability Issues and Characteristics of Uninsured New Mexicans
  - SB317 and the Health Care Affordability Fund
  - What is the Health Care Affordability Fund?
  - What is the Health Insurance Marketplace?
  - Project Timeline
  - Update on the Federal Landscape
  - Update on OSI's Work on HCAF
- **Group Discussion**
  - Q&A
  - Open discussion
- **Next Steps**
  - Follow-up meetings
  - Proposed program parameters
  - Gathering feedback

# Quick Facts about Uninsured New Mexicans

- 214,000 New Mexicans are uninsured
- About 6-in-10 uninsured people in NM are Hispanic
- About 1-in-5 uninsured people in NM are Native American
- More than half of uninsured New Mexicans qualify for Medicaid or premium assistance on the beWellnm.

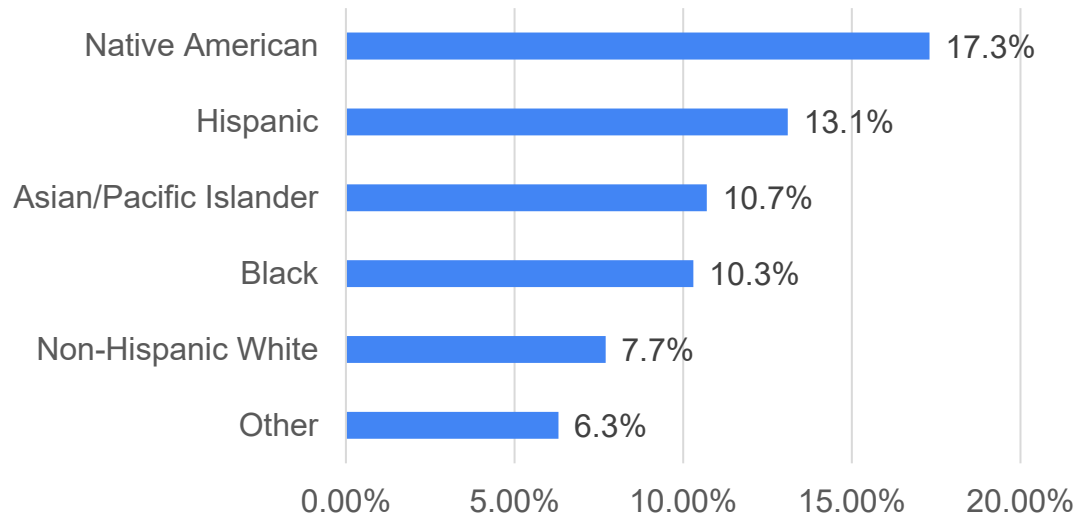
# Affordability issues in New Mexico

According to a 2019 New Mexico survey:

- Two in five **New Mexicans** (40%) could not pay a medical bill on time;
- 39% skipped a medical test their doctor wanted them to take; and
- 38% skipped filling a prescription because of cost.

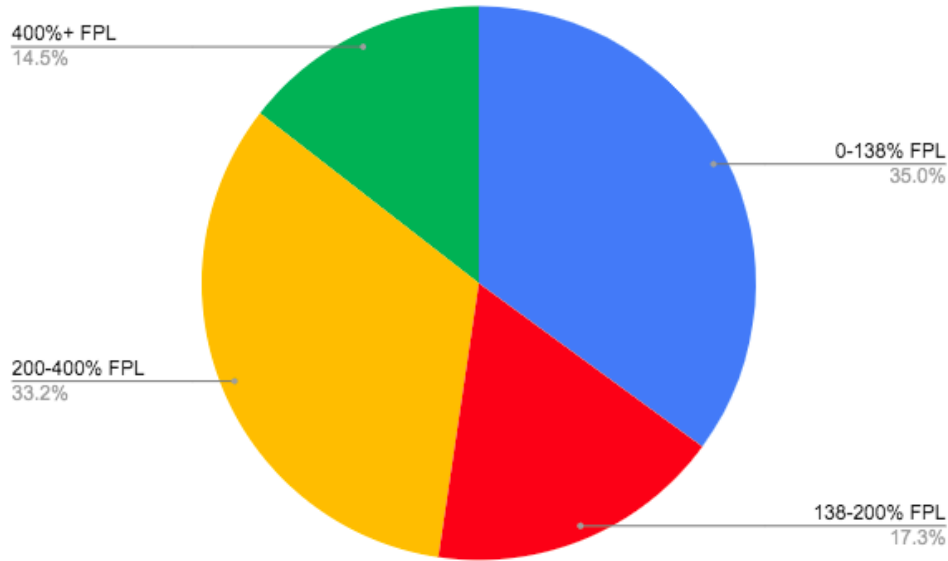
# Native American, Hispanic, AAPI, & Black New Mexicans are more likely to be uninsured than White New Mexicans

Uninsured Rate by Race and Ethnicity



# More than half of the uninsured are under 200% of the Federal Poverty Level (FPL) and 1-in-3 are between 200-400% FPL

**Uninsured by Income**

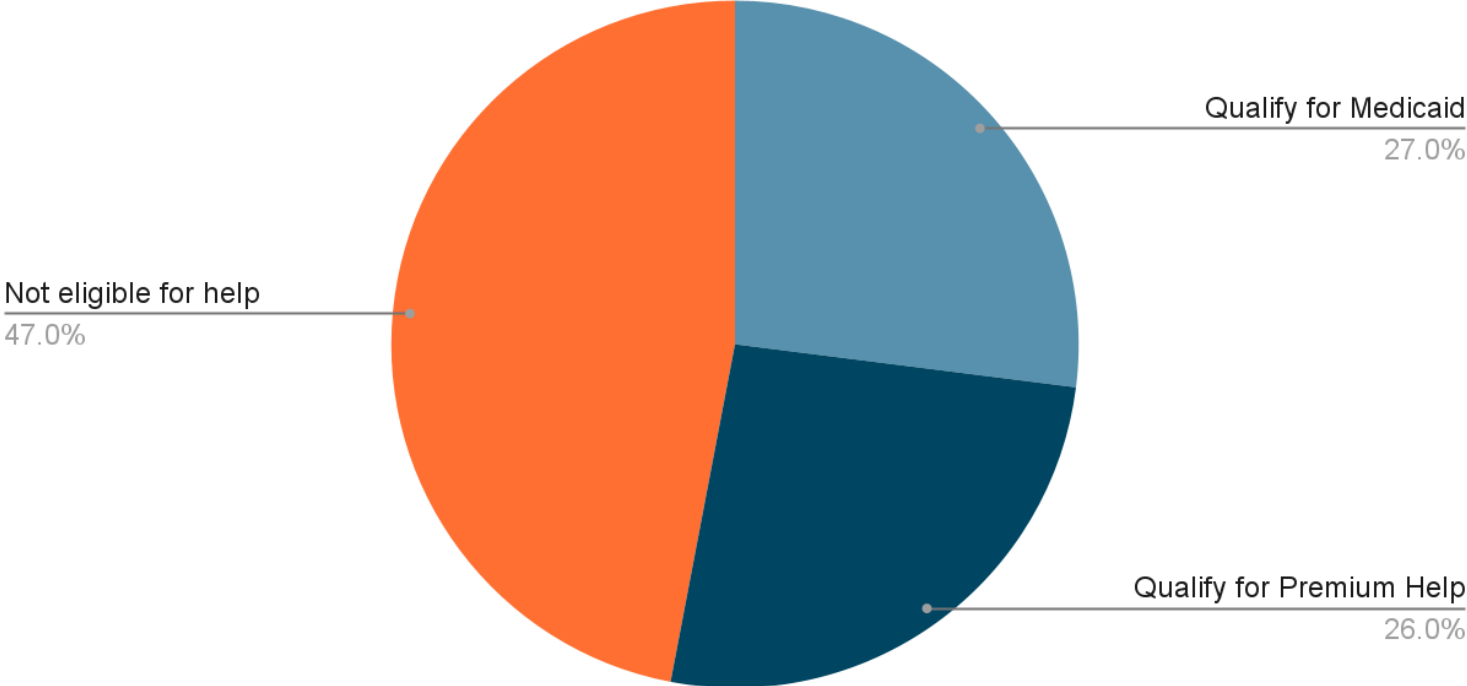


Family Size	100% FPL	200% FPL	300% FPL	400% FPL
1	\$12,880	\$25,760	\$38,640	\$51,520
2	\$17,420	\$34,840	\$52,260	\$69,680
3	\$21,960	\$43,920	\$65,880	\$87,840
4	\$26,500	\$53,000	\$79,500	\$106,000
5	\$31,040	\$62,080	\$93,120	\$124,160
6	\$35,580	\$71,160	\$106,740	\$142,320

Urban Institute, 2020. [https://www.urban.org/sites/default/files/publication/102844/updated-estimates-of-the-nm-uninsured-and-health-care-reform-options-to-expand-marketplace-coverage-and-improve-affordability\\_1.pdf](https://www.urban.org/sites/default/files/publication/102844/updated-estimates-of-the-nm-uninsured-and-health-care-reform-options-to-expand-marketplace-coverage-and-improve-affordability_1.pdf)

# More than half of uninsured New Mexicans qualify for Medicaid or premium assistance

What portion of New Mexicans qualify for help with coverage costs?





# The Health Care Affordability Fund

- To address issues of affordability, uninsurance and underinsurance, the New Mexico State Legislature passed SB 317.
- Governor Michelle Lujan Grisham signed the bill in April.
- SB 317 includes the creation of the Health Care Affordability Fund.



# The Health Care Affordability Fund

- The law allows the Fund to be used to:
  - Help individuals purchase coverage on New Mexico's Health Insurance Marketplace, [beWellnm.com](http://beWellnm.com)
  - Help small businesses with health insurance costs
- SB 317 also directs OSI to develop a plan to use the Fund to help cover those who don't qualify for federal health coverage programs such as Medicaid and the Marketplace. OSI will hold meetings on this effort later this year.



# New Mexico's Health Insurance Marketplace: beWellnm.com

**Today's meeting will focus on improving health coverage affordability on beWellnm.com**

- beWellnm.com is a Marketplace where New Mexicans can shop, compare, and enroll in health plans.
- All plans must cover pre-existing conditions and can't charge you more because of your health history.
- The sign-up period this year is November 1, 2021 – January 15, 2022.

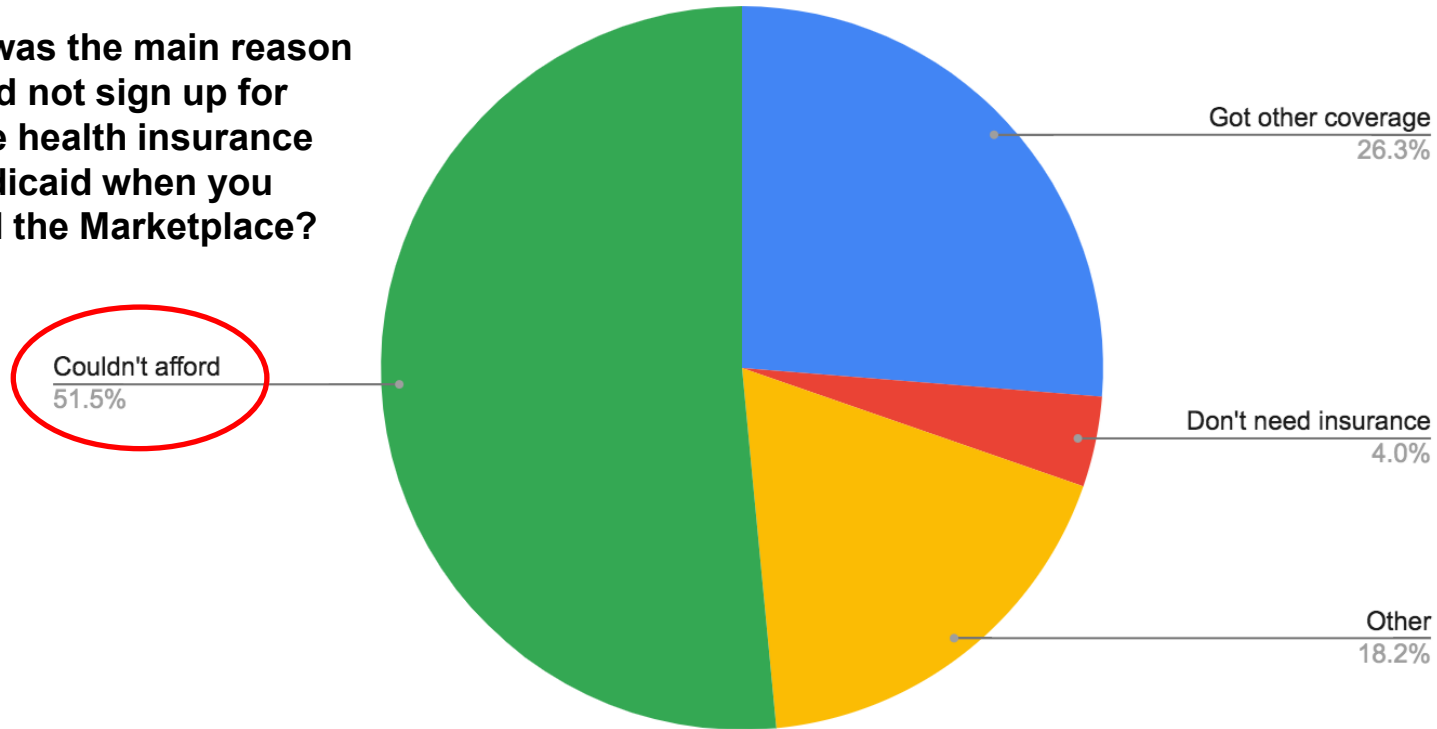


Most beWellnm.com shoppers qualify for **financial help** that reduces monthly payments.

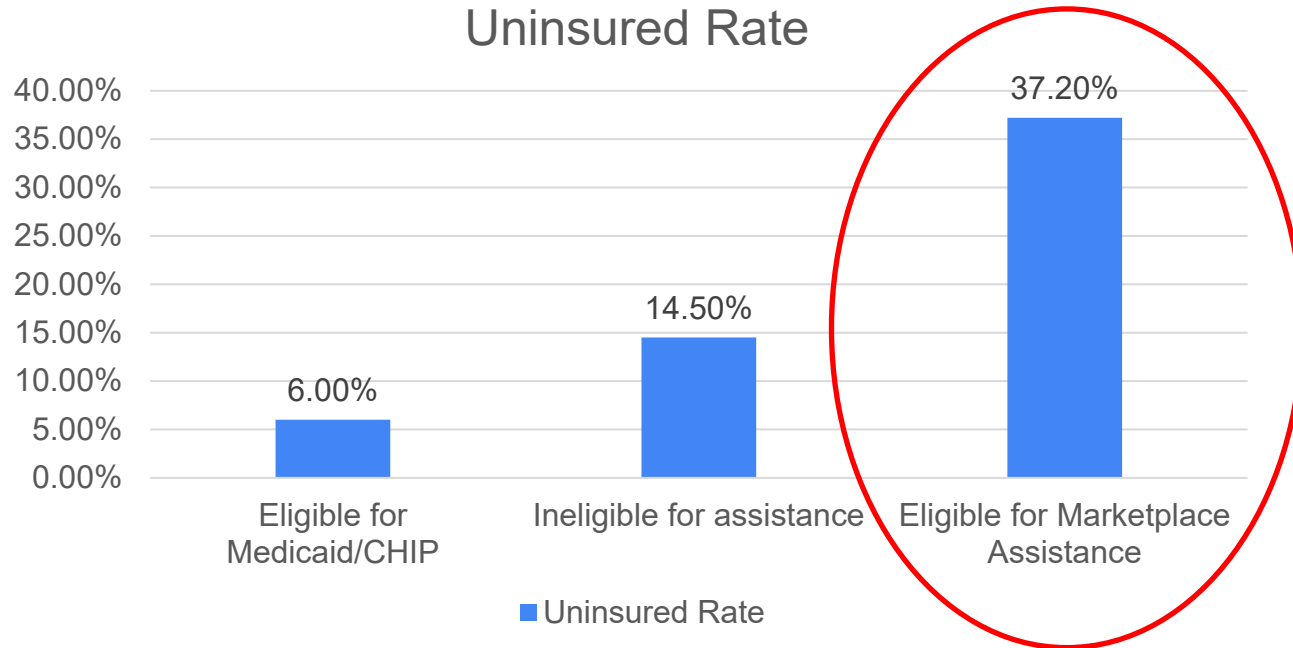
- **Who is eligible?** Those who don't get coverage through an employer or public programs like Medicaid and Medicare likely qualify.
- **How does it work?** Monthly payments (also called “Premiums”) are capped, and low-income people pay less than high-income people. Lower income people also qualify for help with out-of-pocket costs.
- **How many uninsured New Mexicans qualify for help?** 56,000 low-and-middle income New Mexicans who qualify for financial help are still uninsured.

# Affordability challenges are causing people to stay uninsured

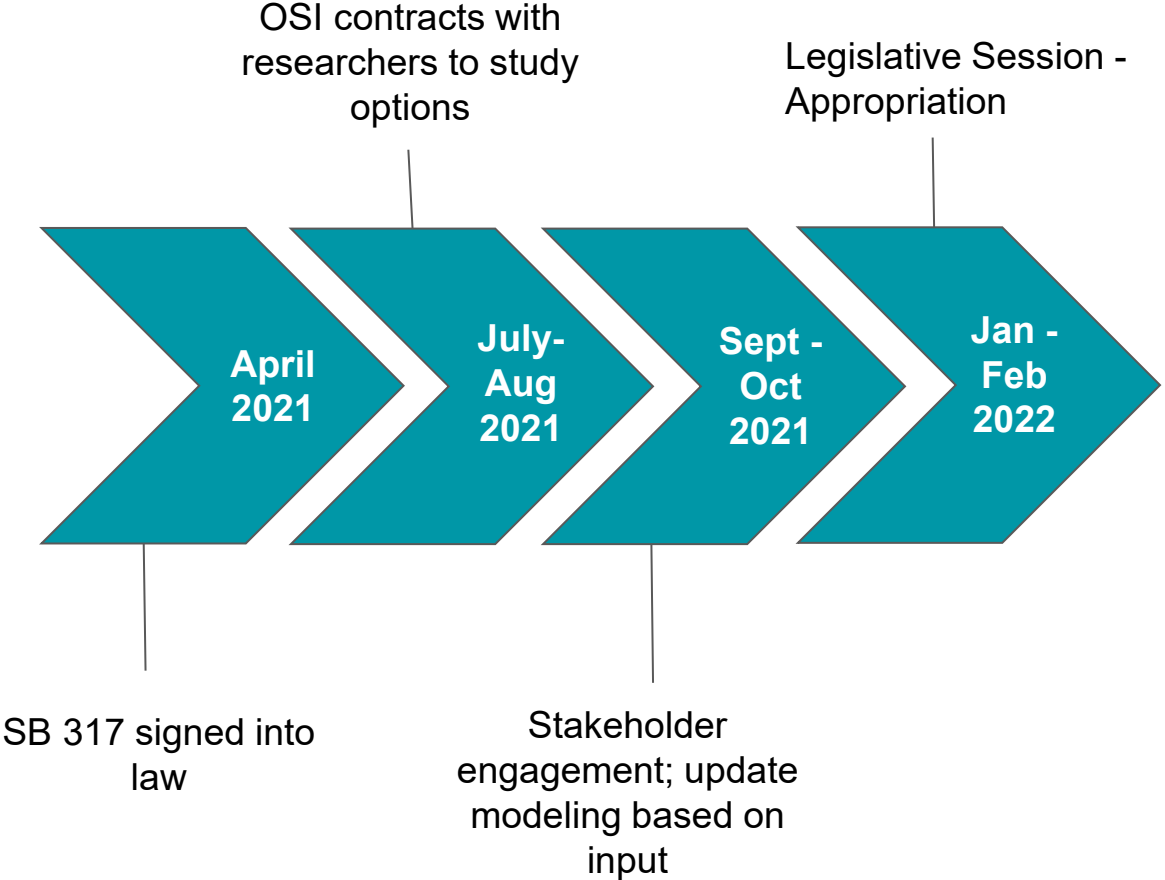
**What was the main reason you did not sign up for private health insurance or Medicaid when you visited the Marketplace?**



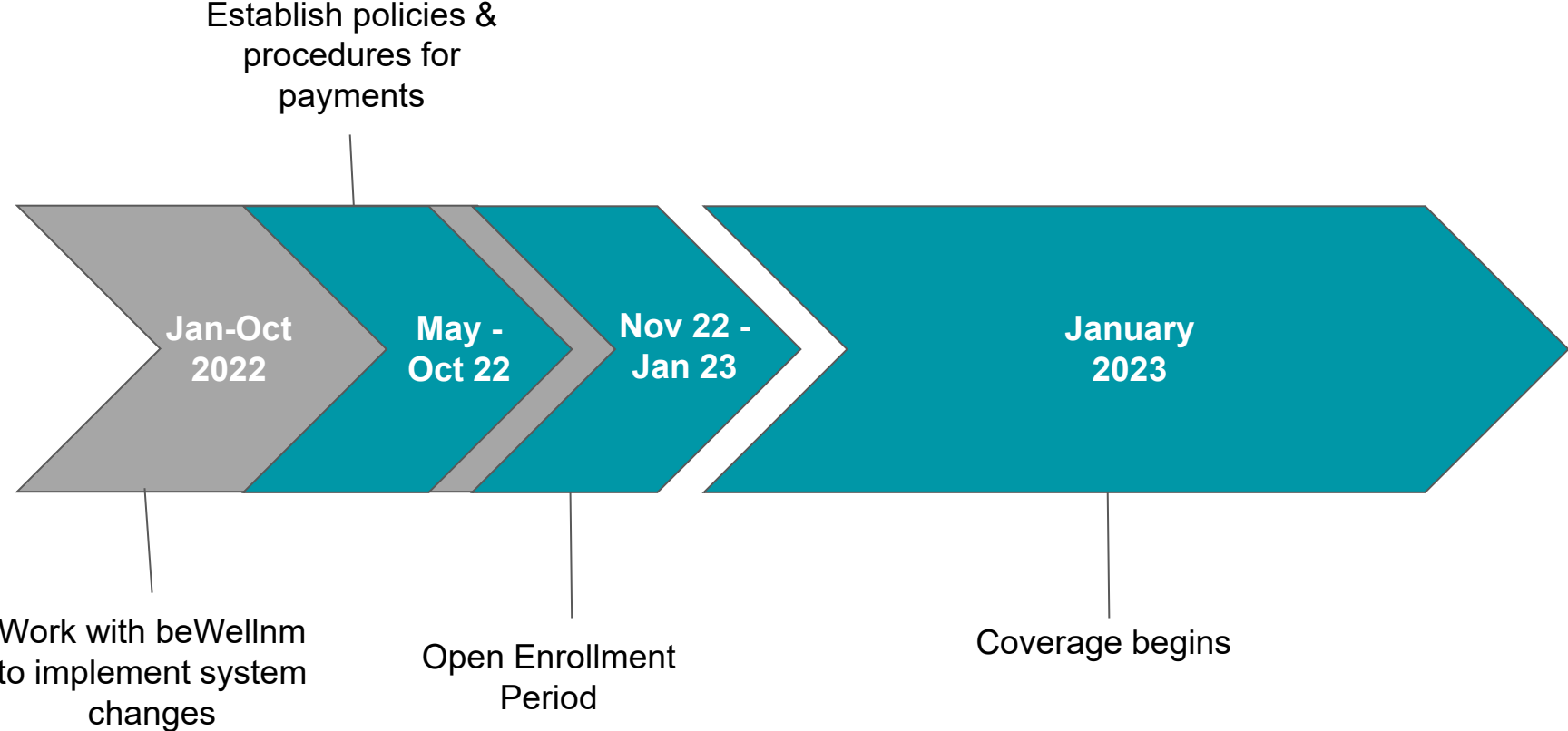
# Nearly 4-in-10 people who qualify for premium assistance remain uninsured



# Health Insurance Marketplace Affordability Timeline Pt. 1



# Health Insurance Marketplace Affordability Timeline Pt. 2





# Federal Updates

- Congress passed the American Rescue Plan Act in February of 2021.
- The law provides additional assistance for monthly premiums and expands assistance to those who previously made too much money to qualify.
- The additional assistance is scheduled to expire in 2023.
- The Biden Administration has prioritized making the assistance permanent.



**AMERICAN RESCUE PLAN ACT OF 2021**

# Federal Updates

## **What does this mean for our efforts to improve Marketplace Affordability?**

If the American Rescue Plan assistance is made permanent, NM can:

- Shift more resources to reduce deductibles and co-pays and expand it to more people.
- Provide additional premium assistance to lower income people.
- Cover additional benefits for lower income people, like dental and vision.
- Provide extra assistance for Native Americans.
- Invest in other initiatives to boost enrollment and make sure people can stay covered throughout the year.

## ➤ **What has OSI done so far?**

- Contracted with experts to help with cost analysis
- Collected the data needed to analyze options
- Developed preliminary models of financial assistance and coverage simplification policies
- Begun stakeholder sessions

## ➤ **What does OSI still need to do?**

- Gather all stakeholder input
- Incorporate feedback
- Secure appropriation from Legislature
- Issue rules
- Set up payment system

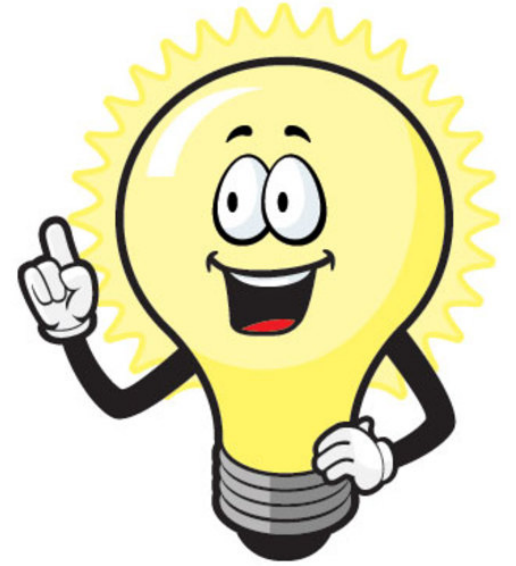
# Priorities and Policy Ideas

## Affordability

- Additional premium and out-of-pocket assistance
- Dental and vision benefits for lower income people
- Free coverage options for more Native Americans

## Simplifying Coverage

- More enrollment opportunities for lower-income populations
- If low-income people miss payments and risk becoming uninsured, enroll them in a free plan
- Standardize out-of-pocket costs to make shopping easier



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We want to  
hear from you.



- Comments
- Questions
- Open discussion

When we talk about affordability, what is what is the most important factor?

Monthly premiums? Annual deductibles?  
Other out-of-pocket costs? The services that are covered?



What do you see as the biggest barriers people face when it comes to signing up for health coverage?



What would make shopping for insurance  
on beWellnm.com easier?





Once the new program is in place, how can OSI spread the word to communities across the state?



Some federal proposals suggest low-deductible coverage for people under 200% FPL that wouldn't have a monthly premium. Should New Mexico consider this option?



What did we miss?



If you have  
more feedback,  
email us.



[osi-comments.hcaf@state.nm.us](mailto:osi-comments.hcaf@state.nm.us)

# Next Steps

- OSI will hold follow-up meetings in the coming months.
- OSI will release preliminary information about the program parameters in the coming weeks. We encourage everyone to submit feedback to [osi-comments.hcaf@state.nm.us](mailto:osi-comments.hcaf@state.nm.us)