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WHAT HEALTH REFORM MEANS FOR NEW MEXICANS

Health reform is important for all New Mexicans. The cost of medical care in New Mexico is rising and increasingly unaffordable. Our state has had some of the greatest increases in health insurance premium costs in the nation.¹ New Mexicans also spend more on health insurance premiums as a percentage of their income than almost all other Americans.² Reform will reduce costs while instituting key insurance market reforms, such as ending cancelations, discrimination based on pre-existing conditions, and restrictive annual coverage limits.

Reform will improve health care quality, access, and coverage for all New Mexicans.

For Individuals and Families Happy with their Current Coverage ...

- For New Mexicans who are happy with their coverage, reform ensures that you **can keep what you have**. You do *not* have to purchase new coverage through health insurance exchanges.³
- Reform will also help you **protect your coverage** by introducing important policies to: put downward pressure on the cost of premiums, require that the coverage continues to be meaningful, and make significant improvements in the overall quality of and access to health care.

For Small Business Owners and Employees of Small Businesses...

- Small businesses with under 50 employees **are not mandated to provide health insurance coverage**.
- Reform means that nearly 23,000 small businesses in New Mexico—employing over 100,000 people—who are often unable to afford to offer health insurance to for their employees, will now be able to do so because of **tax credits that will subsidize up to 50%** of the employer's share of health insurance premiums.⁴
- Small businesses can also participate in **health insurance exchanges**, marketplaces where they can easily select a guaranteed and affordable source of meaningful coverage for their employees.
- For businesses receiving a tax credit and their employees, **premiums are expected to decrease** by about 8 percent to 11 percent compared with their costs without reform.⁵
- By reducing employer-borne health care costs, reform is expected to create **1,300-2,000 jobs** in New Mexico.⁶

For People Who Buy Insurance on the Individual Market...

- Nearly half of working New Mexicans are not offered employer-sponsored coverage and must buy coverage on the individual market or go uninsured.⁷ When they do seek health coverage, they have a hard time navigating insurance policies and securing affordable plans.
- Reform will provide these New Mexicans with the option to come to **new health insurance exchanges** and have a guaranteed source of meaningful coverage for themselves and their families. With subsidies, that coverage is **expected to cost 56% to 59% less in premiums** than in the individual market without reform.⁸

For Seniors...

- Reform works for over 290,000 Medicare beneficiaries in the state by **protecting and improving** the program, lowering out-of-pocket costs, covering preventive and wellness care, improving primary and coordinated care, and enhancing nursing home care.⁹ Reform will also **more than double the years of solvency** of the Medicare trust fund – which, without health reform, was expected to go bankrupt in about 7 years.¹⁰
- Reform will immediately provide a **\$250 rebate** to Medicare beneficiaries who hit the prescription drug coverage gap or “doughnut hole” which leaves most without any coverage between \$2,830 and \$6,440 in total drug costs.¹¹ **Reform completely closes the “doughnut hole” by 2020.**
- Beginning in 2011, reform will also guarantee **50% price discounts** on brand-name drugs and biologics purchased by low and middle-income beneficiaries in the coverage gap.

¹ Elizabeth Carpenter and Sarah Axen, “The Cost of Doing Nothing, Why the Cost of Failing to Fix Our Health System is Greater than the Cost of Reform,” New America Foundation (November 2008)

[<http://www.newamerica.net/files/nafmigration/NAFCostofDoingNothing.pdf>].

² Ibid.

³ The Kaiser Family Foundation, “New Mexico: Health Insurance Coverage of the Total Population (2007-2008),” data source: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau’s March 2008 and 2009 Current Population Survey (CPS: Annual Social and Economic Supplements)

[<http://www.statehealthfacts.org/profileind.jsp?ind=125&cat=3&rgn=33>].

⁴ The White House / Healthreform.gov, “Health Insurance Reform and New Mexico: The Case for Change,”

[<http://www.healthreform.gov/reports/statehealthreform/newmexico.html>]; Democratic Policy Committee, “The Benefits of Health Reform in New Mexico,” [http://dpc.senate.gov/docs/sr-111-2-41_states/nm.pdf].

⁵ Congressional Budget Office, “An Analysis of Health Insurance Premiums Under the Patient Protection and Affordable Care Act” (November 30, 2009) [<http://www.cbo.gov/ftpdocs/107xx/doc10781/11-30-Premiums.pdf>]. See also [<http://cboblog.cbo.gov/?p=434>].

⁶ U.S. Public Interest Research Group, “As Passage of Health Bill Nears, Research Shows New Jobs in Every State,” (January 20, 2010), [<http://www.uspirg.org/newsroom/health-care/health-care-news/washington-d.c.-as-passage-of-health-bill-nears-research-shows-new-jobs-in-every-state>].

⁷ The Kaiser Family Foundation, “New Mexico: Percent of Private Sector Establishments That Offer Health Insurance to Employees, 2008,” data source: Agency for Healthcare Research and Quality, Center for Cost and Financing Studies 2008 Medical Expenditure Panel Survey - Insurance Component Table II.A.2 [<http://www.statehealthfacts.org/profileind.jsp?ind=175&cat=3&rgn=33>].

⁸ Congressional Budget Office, “An Analysis of Health Insurance Premiums Under the Patient Protection and Affordable Care Act” (November 30, 2009) [<http://www.cbo.gov/ftpdocs/107xx/doc10781/11-30-Premiums.pdf>], p. 7.

⁹ The Kaiser Family Foundation, “New Mexico: Medicare Enrollment,” data source: CMS Statistics: Medicare State Enrollment, Centers for Medicare and Medicaid Services [<http://www.statehealthfacts.org/profileind.jsp?cat=6&sub=74&rgn=33>].

¹⁰ Congressional Budget Office, “Estimated Effect of the Patient Protection and Affordable Care Act on the Hospital Insurance Trust Fund,” [http://www.cbo.gov/ftpdocs/107xx/doc10731/Estimated_Effects_of_PPACA_on_HI_TF.pdf].

¹¹ The Kaiser Family Foundation, “Medicare: A Primer 2010,” [<http://www.kff.org/medicare/upload/7615-03.pdf>].