



**VALENCIA COUNTY
BOARD OF COUNTY COMMISSIONERS
RESOLUTION NO. 2019- 13**

**VALENCIA COUNTY TO BE IN
SUPPORT OF THE NEW MEXICO HEALTH SECURITY ACT**

WHEREAS the Patient Protection and Affordable Care Act (“Affordable Care Act”), passed in 2010, was the first systemic national effort to address the issues of affordable health care coverage; and,

WHEREAS, the number of uninsured residents in the State of New Mexico has substantially decreased due to the opportunities for coverage through the Medicaid Expansion program and the exchanges; and,

WHEREAS, health care premiums, insurance deductibles, patient co-payments, and the cost of pharmaceutical drugs continue to increase; and,

WHEREAS, according to the Kaiser Family Foundation, unexpected medical bills are the number one health cost problem people are concerned about; and,

WHEREAS, rising health care costs remain a serious problem that impacts our state and local government budgets, as well as family budgets; and,

WHEREAS, health care has become a major economic issue as well as one of access to care; and,

WHEREAS, decreasing the percentage of state, county and city expenditures on health care will free up funds to be spent on other critical needs such as economic development, education, public safety and infrastructure; and,

WHEREAS, elected and federal officials in Washington, D.C. are giving the clear message that states need to take the lead in health care reform; and,

WHEREAS, Section 1332 of the Affordable Care Act allows states to receive waivers for state innovation, which enable states to develop alternatives that may be more appropriate to their circumstances; and,

WHEREAS, numerous studies, including two in the State of New Mexico, show that residents who join one health risk pool would reap the benefits of economies of scale, substantially contain

costs, reduce administrative complexity and uncompensated care, and create a more stable health care system that benefits all residents of the State of New Mexico; and,

WHEREAS, the Health Security Act, planned to be introduced at the 2019 State Legislative Session, is a homegrown New Mexico plan that has been developed over many years with input from diverse sectors from all over the state; and,

WHEREAS, the Health Security Act will enable New Mexico to set up its own health plan, like a cooperative, that covers most residents and ensures that all New Mexicans will have comprehensive, affordable and quality health coverage regardless of age, employment or health status; and,

WHEREAS, the Health Security Act requires a thorough public fiscal analysis to determine the Plan's total cost and available revenues; and,

WHEREAS, the Plan shall only be implemented after the analysis, if the Legislature determines that it is financially feasible; and,

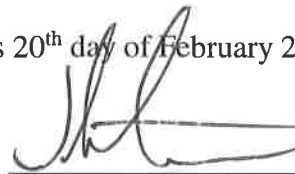
WHEREAS, over the years, 169 New Mexico organizations and 35 cities and counties representing a broad cross-section of New Mexicans from all parts of the state, have endorsed the Health Security Act.

NOW, THEREFORE, BE IT RESOLVED that Valencia County supports and endorses the proposed Health Security Act; and,

BE IT FURTHER RESOLVED that the Valencia County shall work to ensure passage of the Health Security Act and shall urge the New Mexico Association of Counties to make the Health Security Act a legislative priority during the 2019 State Legislative Session; and,

BE IT FURTHER RESOLVED that the county clerk will send a letter and a copy of this resolution to each member of our state legislative delegation.

APPROVED, ADOPTED AND PASSED on this 20th day of February 2019



Jhonathan Aragon
Chair, District V



Attest:

Peggy Carabajal
Valencia County Clerk



The New Mexico Health Security Act

It's time for New Mexico to take control of its health care destiny by setting up its own health coverage plan. Under the Affordable Care Act, states can receive an innovation waiver to develop their own plans. And there is no question that there is a strong message coming from Washington, DC, to encourage states to take on the responsibility for providing health care coverage.

The need for new approaches has taken center stage. The current situation—with rising premiums and copays, drug price increases, a trend toward plans with high deductibles, and shrinking provider networks—is unsustainable.

The New Mexico Health Security Act, which has been vetted by diverse New Mexicans for years, provides a well-thought-out solution.

What the NM Health Security Act proposes:

Under the proposal, New Mexico will set up its own health insurance plan—the Health Security Plan—that will cover almost all New Mexico residents. (Federal retirees, active duty and retired military, and TRICARE recipients will continue with their federal plans. The tribes, as sovereign nations, may choose to join the Plan. Health plans covered under ERISA have the option of joining the Plan.)

The Plan shifts private insurance to a supplemental role (as traditional Medicare does). Plan members have guaranteed access to comprehensive, quality health care coverage, regardless of income level or health and employment status.

A carefully considered approach:

- ✓ **Phase 1:** The financial analysis phase, when the Legislative Finance Committee, with public input, will determine:
 - The cost of the Plan
 - Individual premiums and employer contributions
 - Workers' compensation and automobile insurance premium reductions
- ✓ **Phase 2:** Legislative and gubernatorial approval of the financial analysis report. If not approved, the Plan will not go into effect.
- ✓ **Phase 3:** Development of the Plan, with legislative, executive, and public input, and application for any waivers needed so the Plan can begin operations and receive all federal tax credits and subsidies.

The NM Health Security Plan also:

- Guarantees choice of provider, even across state lines
- Guarantees a good benefit package that must be as comprehensive as the services offered state employees
- Preserves the private delivery system (private physicians, hospitals, etc.)
- Provides strong protections for retirees
- Reduces overhead costs for health care providers and facilities

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An old-fashioned solution to our current crisis:

Today, we pay for a segmented system of hundreds of insurance plans that create a costly and complex administrative system. The Plan is based on the old-fashioned concept of insurance, where the young, the old, the healthy, and the not so healthy are all in one large insurance pool. The risk is shared, while administrative costs are reduced. *Doesn't this make sense for a state with a small population?*

This proposal has been reworked for many years. Input has been received from all over the state. It is not an imitation of the Canadian, Taiwanese, or British systems, nor is it modeled after any other state's proposals. It is a **New Mexico solution**.

A cost-effective proposal:

A 1994 New Mexico study by the independent think tank The Lewin Group estimated that \$4.6 billion could have been saved by 2004 had all New Mexicans been under one plan by 1997. While not all New Mexicans are covered by the Health Security Plan, even if half that amount is saved, that is significant for our state. Mathematica Policy Research, Inc., concluded in 2007 that the Health Security Act was the only proposal that would significantly reduce health care costs, even in its first year of operation. Other state studies also have shown that covering all or most state residents through one insurance plan controls rising health care costs. And these studies were conducted *prior* to passage of the ACA.

Who will administer the NM Health Security Plan?

- **An independent, non-governmental commission** with 15 geographically representative commissioners oversees the Plan.
- 10 commissioners must represent consumer and employer interests and 5 must represent provider and health facility interests.
- The publicly accountable commission will be subject to the Open Meetings Act. Its budget will be available for public scrutiny, and patient/provider privacy will be protected.

Who will pay for the NM Health Security Plan?

Public and private dollars will be pooled into one fund. Funding sources include federal and state monies spent on health care (Medicaid and Medicare, for example), plus (for Plan members) individual premiums (based on income, with caps) and employer contributions (with caps). Employers may cover all or part of an employee's premium obligations. If federal premium subsidies and tax credits continue, these would also be included.

About the Health Security for New Mexicans Campaign

Established in 1992, the Health Security for New Mexicans Campaign is a statewide, nonpartisan coalition of over 160 organizations and numerous individual supporters. Its mission is to establish a publicly accountable system of guaranteed, comprehensive, and affordable health care coverage for all New Mexicans.