



2016 Legislative Session **New Mexico Medical Insurance Pool**

Description –

The New Mexico Medical Insurance Pool (NMMIP) was established by the NM State Legislature in 1987 to provide access to health insurance for New Mexico residents with established, high-cost, chronic conditions who were therefore uninsurable.

The 3,226 individuals enrolled in NMMIP in 2015 include Medicare beneficiaries under the age of 65 who are disabled and/or are on dialysis, medically fragile children (those with cystic fibrosis or cancer for example) who do not qualify for Medicaid or other plans because of their immigration status, persons with HIV/AIDS, the Adult Cystic Fibrosis program, and others who are uninsured for various reasons and cannot enroll until the next open enrollment period.

NMMIP is administered by Blue Cross and Blue Shield of New Mexico which handles eligibility, enrollment, member services and claims processing. It is funded with premiums and assessments of all insurance carriers licensed to offer health coverage in New Mexico based on their annual share of the premiums within the state. A little over 300 premiums are paid for by the Department of Health, the rest are paid by the individual patients. The carriers receive a premium tax credit for a portion of their assessments (approximately 55%). In calendar year 2015, the total assessment is \$59,927,268 and the estimated tax credit is \$32,959,997.

Legislative Finance Committee Proposal –

LFC proposes to close the NMMIP completely by the end of 2017 and eliminate the NMMIP Assessment tax credit against premium taxes for health insurers licensed in NM. The LFC acknowledges the need for legislation to require licensed health insurers in the state to offer Medicare supplemental coverage for disabled recipients under the age of 65 as a condition of licensure.

Department of Health Children's Medical Services Program -

Children's Medical Services Program (CMS) provides specialized care coordination services by licensed social workers to children and youth with special healthcare needs/chronic conditions.

CMS has utilized the NMMIP for over ten years to provide cost-effective coverage for children and youth who have no other access to public or private insurance. CMS pays premiums, co-pays and deductibles for these ~110 clients with an average cost to DOH of \$4,675 per client and a total spending of \$514,300 (FY15).

Department of Health HIV Services Program -

The HIV Services Program assists eligible clients with access to health insurance through partner organizations that deliver Medical Case Management.

The high-risk pool is a major source of coverage for clients categorically ineligible for federal assistance, including undocumented persons and those with Medicare Carve-out restrictions. The HIV Services Program assisted 227 clients enrolled in NMMIP during FY15, 138 of who were in the Medicare Carve-Out-Program. The average monthly premium for a NMMIP Medicare Carve-Out client is \$441, for a total spending of \$641,164 for all clients served in FY15. The average monthly premium for a non-Carve-Out NMMIP client receiving the HIV Insurance Assistance is \$624.

Without insurance, the average cost for medications for a person living with HIV is approximately \$750 - \$1000 a month, if they are eligible for highly discounted medication under the ADAP Crisis Task Force Pricing (or up to \$20,000 or more at full wholesale cost). If the clients did not have access to NMMIP, the annual cost just to provide medications, could cost the DOH HIV Program as much as \$1,242,000 a year.

Recommendation –

The NMMIP is an essential, cost-effective safety net for a very small portion (0.15%) of the state's population who are severely medically compromised. Without the insurance provided by NMMIP, those uninsurable, high-cost, chronic care patients will still access the health care system but will do so in unpredictable ways in which neither the providers nor the insurance companies are compensated and the state will pick up the tab on its own.

The recommendation is to allow the NMMIP Board to continue to gradually move out anyone eligible for other options over a three year time frame, which would naturally decrease the assessments and tax credits as the number of enrollees falls over time. This would allow time for the insurance market to stabilize without pushing these complex, chronic care patients out into the market as uncompensated care all at once.

For more information please contact:

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