New Mexico State Planning Grant's
Uninsured Initiative

Interim Report

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New Mexico Human Services Department
Medical Assistance Division

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Table of Contents

Executive Summary

New Mexico State received a grant from the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA) effective September 2003. Having just received a No Cost Extension for our original objectives to be carried out into the next fiscal year, the proceeding Interim Report is a progress report and not the Final Report, which will be due upon completion of the New Mexico HRSA State Planning Grant Project set for August 2005.

Currently, New Mexico is immersed in data collection efforts, preparing for the upcoming legislative session and the beginning process of policy formation. As such, the information provided is based on other National data sources and previous New Mexico studies. Anticipating the implementation of thorough, demographic, state specific information on the uninsured New Mexico population and the healthcare environment for small employers, the NM HRSA Project is awaiting the results in order to discuss in detail the profiles of the uninsured, policy options, lessons learned and recommendations to other States and the Federal Government (as specified by the Report Guidelines).

Overview - New Mexico's history with the uninsured

According to the most recent Census Population Survey, just released in August 2004, the number of uninsured in New Mexico was 414,000, or 22.1% of the population. That is an increase from 21.1% of the total population in 2002 and ranks New Mexico second in the nation for the number of uninsured. This problem is gaining statewide momentum and is exacerbated by inflated health care premiums and by significant non-financial barriers such as border issues, cultural gaps, stigma, health education deficits, and health status concerns. New Mexico worries that its rate of uninsurance will continue to worsen without a coordinated, data-driven approach to decrease the number of uninsured through incremental reform.

Prior to receipt of the HRSA State Planning Grant, New Mexico had an active history with the uninsured issue. In 2002, The Health Policy Commission (HPC), in conjunction with the University of New Mexico (UNM) Institute of Public Policy, conducted a telephone survey of New Mexican households. In this study, the state succeeded in capturing some preliminary data about New Mexico's uninsured adults. New Mexico's State Planning Grant program team has used the 2002 study to inform the development of a new household survey that will evidence a more complete description of the demographic, geographic, and health conditions of New Mexico's medically uninsured adults.

Also in 2002, the Legislature created an interim Medicaid Reform Committee that spent several months looking at ways to create greater efficiency and increase the effectiveness of Medicaid as a critical vehicle for covering low-income children, families, seniors, disabled individuals, and other vulnerable populations. The Committee's work resulted in a number of recommended program changes, pilots and studies – including revisiting New Mexico's health care delivery system and examining new structural and payment options – that were passed by the Legislature during the January 2003 session. These recommendations comprise many of the initiatives that were contained in New Mexico's original State Planning Grant proposal.

During the January 2003 legislative session, House Bill 955 was passed and signed into law, requesting the Legislative Health and Human Services Committee (LHHS), in conjunction with the New Mexico Health Policy Commission (HPC) to conduct a study of public and private health care costs in New Mexico, and to formulate a projection for addressing the health care needs of the state's uninsured. Although this legislation was not accompanied by an allocation of funding, extensive efforts have been initiated to prepare the partnering structures and data collection plans that will be necessary for completing the study. In the 2004 legislative session, LHHS did get a minimal appropriation toward completion of this effort and is expected to report this coming November on their findings.

Finally in 2003, prior to the HRSA grant award, approximately 80 stakeholders representing the critical perspectives of state government and legislative leaders, providers, alternative caregivers, public purchasers, members of the health care market and business community, and consumer and advocacy groups, were brought together under the official designation of the Governor's Health Care Coverage and Access (HCCA) Task Force to develop a set of concrete action items and proposals that will serve as a catalyst for comprehensive health care reform in New Mexico.

To complement the work of these 80 Task Force members, the state's four health and human services Cabinet Secretaries embarked on an ambitious 27-meeting, 19-city tour of New Mexico in an effort to proactively seek input from the people of the state regarding four key initiatives, namely: a statewide comprehensive health care plan, a long-term care plan, a behavioral health care plan for children, and Medicaid system redesign. Some of the meetings were further broken down to address specific issues affecting New Mexicans, including: behavioral health, the uninsured, developmental disabilities, Native American populations, and children and foster care concerns. On this tour, issues of insurance coverage and access were common themes in each of the communities.

The proposals that have been developed by the HCCA Task Force, and presented and refined at the statewide forums, demonstrate the broad basis of collaboration already in place in New Mexico, and point toward the high priority of health coverage reform for policymakers, lawmakers, providers, consumers, purchasers, and other representatives of the health care market. New Mexico's State Planning Grant project is guided by a number of key suggestions targeting uninsured children and adults of both employed and non-working status. These proposals aim to greatly increase the affordability of health insurance for persons in these separate groups while containing overall health care price increases for public and private health care purchasers.

As evidenced above, there have been multiple studies, initiatives and a growing momentum to tackle the gnawing gaps in health care coverage amongst the New Mexican population. While it is true that the problem of uninsurance has proven to be a sizeable stumbling block in New Mexico, it is hopeful to witness the multiple initiatives launched by both public and private organizations over the past number of years aimed at narrowing the gaps and disparities in health care coverage in the state and at gathering momentum and support for resolving this complex problem. These initiatives include:

- SCHIP Program Medicaid Section 1115 Waiver
- HIFA Section 1115 Waiver
- Section 1931 Waiver
- State-Only High Risk Pool (New Mexico Medical Insurance Pool)
- State-Only Tax Incentives
- Purchasing Alliances (New Mexico Health Insurance Alliance)

While innovative, the structures for these programs are also limited in scope. The state has needed funding to generate accurate data about its medically uninsured population and subpopulations, and to obtain the requisite cost analyses of inclusive reform options. The shortcoming of prior efforts to bring about comprehensive change has been the impetus for multiple recent legislative and policy changes, and the primary driver behind new proposed initiatives.

Current State Climate

The New Mexico Medicaid program currently provides coverage to 420,000 citizens, almost two-thirds of whom are children. Medicaid benefits are available to children through age 18 and to pregnant women in families with incomes up to 185 percent of the federal poverty level (FPL). In addition, the New Mexico State Children's Health Insurance Program (SCHIP) provides inclusive benefits to children through age 18 in families with incomes up to 235 percent FPL, a program development that was made to boost coverage and reduce uninsurance among New Mexico children and adolescents, and which ranks the program seventh highest in the nation for income criteria. There are roughly 12,000 children currently enrolled in New Mexico's SCHIP program.

Notwithstanding these comparatively expansive eligibility guidelines, New Mexico estimates that its uninsurance rate among children – particularly among those from low-income families – may be as high as twice the national average, an issue exacerbated by the state's high poverty rates and other issues such as health education deficits, the stigma sometimes associated with public assistance programs, New Mexico's vastly rural and culturally diverse landscape, and the state's large Native American population

While New Mexico has a rich history of Medicaid expansion, the growth of public health care programs has become an increasingly complex, costly and demanding concern. Fiscal constraints are being felt on both state and federal levels, and New Mexico is no exception to the trends of heightened competition for funding between public programs, rising inflation, and the need for cost containment strategies. Like most states, New Mexico recognizes that as an important financier of health care for its citizens, adjustments must be made to entitlement programs that will contain costs and uncontrolled growth wherever possible. As New Mexico considers the implications of these changes, it must weigh the financial burden of health care against the want for long-term savings and the needs for health care coverage among the people of the state.

Original Grant Objectives

In New Mexico's original State Planning Grant application, there were multiple initiatives proposed that are now completed, underway, or just beginning. In summary these initiatives include:

- The design and launch of an extensive household survey to augment previous data collection efforts concerning health care coverage, and generate an accurate and complete picture of New Mexico's uninsured, the barriers they face, and their perceptions toward health care in the state;
- Thorough fiscal and economic impact analyses of various reform approaches and proposals that aim to increase the availability of affordable access to health care coverage for all New Mexicans; and
- A database mining project of reports assembled by the New Mexico Division of Insurance (DOI) to determine how these data, which include profit/loss figures, long-term care experience reports, risk-based capital statistics, and tax information from insurance companies and employers, might provide an increased understanding of the current private sector insurance market and coverage options and systems available in New Mexico.

Focus on Employer Data

A DOI database-mining project was completed in March and, in spite of the hope that this would prove an effective way of examining DOI data, the results proved to be largely unrelated to the goals of the State Planning Grant project. Because this initial project was limited and not explored to the full extent of the proposed budget, funding was freed to lay the groundwork for other studies that focus on employer data. A small portion of these funds will be used to engage in a contractual agreement with the New Mexico Community Foundation to conduct a survey of non-profit groups in New Mexico and their status in offering coverage to their employees. It should be noted that New Mexico has a proportionately large number of non-profit entities – there are currently 7,900 registered with New Mexico's Tax and Revenue Department – and it is estimated that many, if not most, of these cannot afford to sponsor coverage for their employees.

In cooperation with the General Services Division/Risk Management Division (GSD/RMD), the State Planning Grant is also developing a survey of state employees to identify why, when offered a comprehensive health insurance package, many choose not to enroll in state-sponsored coverage. This survey will be implemented after a July 1, 2004 benefit change, whereby the state is taking up 80 percent of the cost for health care and employees are only paying 20 percent. Prior to the July 1, 2004 cost-sharing change there were roughly 5,000 employees not paying for health insurance through their State employment. After July 1, the number has reduced to 1,915 State employees not taking up the State coverage, indicating that cost is a large factor.

Parallel to these undertakings is an offer by the New Mexico Health Policy Commission (HPC) to finance a survey of small employers that will aim at uncovering the primary reasons that many do not offer coverage to their employees. The survey will generate updated information about employer-sponsored coverage in New Mexico, explore in greater depth the reasons that businesses and small employers may not offer coverage to their employees, and allow for the

development of alternatives that might positively impact the currently low rates of employer-based coverage. It is widely agreed that the shape of New Mexico's economy has changed dramatically since the first HPC Employer Survey was conducted in 2000; therefore, the state believes that this new information will prove critical to the success of any employer-targeted effort.

State Planning Grant project staff believe that all three of these studies, together with the other data that will be collected and analyzed during the course of the project, will complete the overall conclusions that are drawn and solutions that are developed about health insurance coverage structures in New Mexico. Helping the legislative process through a coordinated, data-driven, and incremental healthcare approach.

Summary

Previous initiatives established in New Mexico targeted individuals and the public sector. Future policy options and the direction of other states now focus on building bridges between the public and private sectors with system designs that provide increased access through partnering between the federal, state, local and stakeholder resources. The current economic and political climate necessitates cost sharing, strong leadership, and creativity, but also collective responsibility and motivation to see that New Mexico as a whole prioritizes quality health care coverage for everyone.

Under the HRSA project, New Mexico hopes to design a system that will provide increased access to quality health care coverage for all New Mexicans in a way that is both manageable and affordable. The project will work to identify and cultivate the optimal partnering structure between the federal government, the State of New Mexico's legislative and executive branches, local governments, and stakeholder groups, so that each entity will be empowered to make decisions addressing the health insurance needs of New Mexicans while ensuring the viability of the private insurance market and public safety-net programs. The fundamental project goal is to address the multiple health care needs of all New Mexicans through a combination of public and private cooperation, with the state and federal government providing strong leadership and oversight roles.

Section 1. Uninsured Individuals and Families

The HRSA Project has been actively engaged in the formation of the Statewide Household Survey on the uninsured in New Mexico. We began by analyzing the data, both nationally and in the State, on the uninsured and tried to narrow in on what specifically was not known. Our conclusions confirmed that we did not have a great base of knowledge on this population and it validated our need to retrieve in-depth demographic information in order to have a clear picture of the different subpopulations.

After consulting with SHADAC on survey instrument design, what questions to ask contractors and how best to set up the deliverables within the contract, staff were fortunate to find a willing joint venture in New Mexico State University (NMSU) and Research and Polling, Inc., a respected in-state research group. Under this partnership, NMSU will act as the contract manager while Research and Polling, Inc., will design the survey instrument, pre-test, and finally conduct a statewide survey of New Mexico's uninsured. Together, NMSU and Research and Polling, Inc., have ensured that they will complete not only the data collection component of the survey in concurrence with the end of the year deadline, but will also provide a final report to State Planning Grant project staff during the same timeframe. In addition, NMSU will offer academic-based, socioeconomic data supporting the survey and, upon completion of the project, perform an analysis on the final report and product.

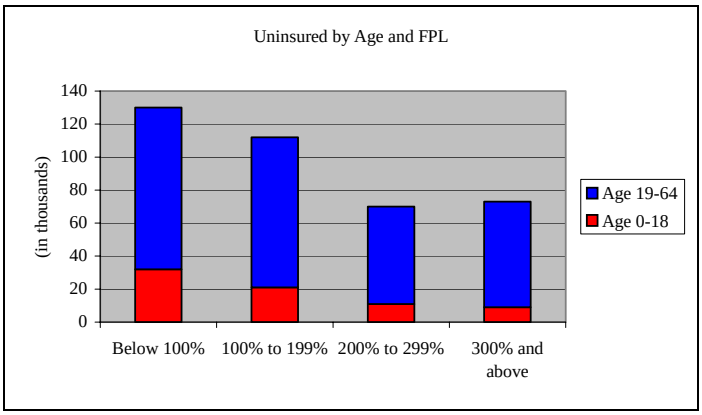
The household survey is slated for implementation this October. Project staff, NMSU, and Research and Polling, Inc., have been actively engaged in identifying specific questions for the survey instrument, and weighing considerations such as how best to stratify the population, define a working definition of the "uninsured," addressing the sampling component, and resolve issues such as cell phone usage and response units. Given the expertise of the household survey partners and the progress that has been made in designing the survey model, New Mexico believes that the final product will be an inclusive and highly detailed depiction of the state's uninsured.

1.1 Overall level of uninsurance

To reiterate, according to the most recent Census Population Survey (CPS), just released in August 2004, the number of uninsured in New Mexico was 414,000, or 22.1% of the population. That is an increase from 21.1% of the total population in 2002 and ranks New Mexico second in the nation for the number of uninsured.

1.2 Characteristics of the uninsured

The main characteristics of this population that we can definitively speak to, prior to conducting the New Mexico Statewide Household Survey, is the income level. Anecdotally, CPS data identifies that individuals comprising "the uninsured" do not reflect a homogeneous group. Although nearly all of those without health insurance are younger than 65 years old, the uninsured population is made up of children and adults across the income spectrum:



As this graph shows, the largest number of uninsured (approximately 130,000), have incomes below 100 percent of the federal poverty level (FPL); however, a substantial number (approximately 73,000) have incomes at 300 percent FPL and above. It is also clear that children comprise a smaller proportion of the uninsured in each of the income categories.

1.10 Barriers (including affordability) preventing the purchase of health insurance

A telephone survey of New Mexico households that was conducted by the Health Policy Commission (HPC), in conjunction with the University of New Mexico (UNM) Institute of Public Policy in 2002, indicate that there are multiple reasons that uninsured adults lack health insurance, which include:

- An inability to afford coverage (42.3 percent);
- A loss or change in employment status (15.3 percent);
- Not offered insurance through an employer (13.6 percent); and
- An inability to obtain coverage (8 percent).

The largest factor affecting the decision of uninsured respondents to obtain health care coverage was cost, with 64 percent of those surveyed saying that they would obtain coverage if they could afford it and another 16 percent indicating that they would obtain it if it were available. In addition, the HPC/UNM survey indicates that of New Mexico children without health insurance in 2001, over one-third did not receive any type of health care service during that year.

1.11 How are the uninsured getting their medical needs met?

Based on the figures collected by the 2002 HPC/UNM Household Survey, 16.5 percent of the survey respondents did not have a usual place, or relied on an emergency room, to obtain health care in 2001. The services that respondents identified as most needed were prescription medicines, routine preventive care, dental care, and counseling. In addition, a proportionately small percentage of the survey respondents indicated that they receive care through the Indian Health Service (IHS), the Military or Veteran's Health Service, or other health care programs.

New Mexico Voices for Children (NM Voices) analyzed the HPC/UNM survey data and found that 38 percent of uninsured adults in New Mexico believe that they have adequate access to healthcare. For their purposes, the term "adequate" refers to individuals who:

- Have a usual source of medical care that is not an emergency room; or
- Report having no unmet needs for preventive, specialty or dental care; prescription drugs; emergency room care; hospitalization; and medical procedures.

NM Voices also lists where the uninsured obtain care according to the study. Based on the chart below, primary care clinics and community health centers play a central role in providing care to the uninsured in New Mexico

Usual Source of Care for Uninsured New Mexicans With No Unmet Healthcare Needs*

Doctor's office	47
Primary care clinic or community health center	28
HMO-run clinic	3
Urgent care center	5
Hospital outpatient clinic	3
IHS hospital or clinic	6
School clinic	5
Some other place	3
Total	**100**

*Individuals who report having no need for health care are excluded from this analysis.

Summary

Some credit should be given to New Mexico's safety net, of New Mexico's 33 counties, 26 are considered to be full medically underserved counties (MUAs) – a federal designation based on population and health status factors – and six are determined to be partial MUAs. Primary care services are available at 132 delivery sites across the state, which are comprised of 90 medical sites, 29 dental sites, and 18 school-based sites. These primary care facilities are located in 95 communities, 80 percent of which are in rural or frontier areas. It is estimated that, of the approximately 260,000 patients seen at these sites each year, 44 percent – or about 115,000 – are uninsured; approximately 78 percent are below 200 percent FPL; and an estimated one-third are pediatric or adolescent patients.

The U.S. Department of Health and Human Services ranks New Mexico's primary care clinics eleventh in the nation for the rate of penetration in caring for the underserved. Roughly one-quarter of New Mexico's uninsured residents are able to access not only comprehensive primary care through the clinics, but also referrals to specialists, discounted pharmaceuticals, and some dental and mental health care. Additionally, the clinics spend a large proportion of their limited human and fiscal resources invested in outreach, education, case management, and disease prevention.

Finally, the extensive data collection that is currently being done with New Mexico's State Planning Grant award will allow the state to characterize its uninsured subpopulations and to determine what health insurance benefits they need. The Household Survey has been drafted and

pre-tested and is in the process of being programmed for implementation. It is expected that the Household Survey results will be available by the end of this calendar year and an active source of information during the 2005 legislative session, to begin the third Tuesday of January.

Section 2. Summary of Findings: Employer-Based Coverage

As mentioned earlier The HRSA Project has teamed with the Health Policy Commission (HPC) to conduct an updated Employer Survey. The HPC has historically implemented this survey and the last version was in 2000. The current HPC Employer Survey of 2004 has three primary aims:

- To determine what percentage of private employers in NM do not offer a health insurance program to some or all of their employees (and thereby assess changes since the previous 2000 and 1993 surveys and comparisons with national trends);
- To understand the reasons why such employers do not offer health insurance coverage for their employees and how these different reasons interact with each other (as in the relationships between reasons of cost and reasons of administrative burden); and
- To explore specific measures for encouraging employers to offer health insurance and how the State might assist employers, particularly small businesses.

The survey instrument will assess factors, including:

- Establishment size
- Industry sector
- Geographic location
- Reasons for offering/not offering insurance
- Influences on employer decisions about whether or not to offer coverage
- Decisions to drop insurance coverage in the last year
- Perceptions of reasonable total premiums for single coverage
- Perceptions of desired benefits packages for employees
- Experiences of administrative burden or difficulty in establishing insurance coverage
- Likelihood that employers who do not offer coverage will be influenced by:
    - Expansion/development of purchasing alliances
    - Individual or employer subsidies
    - Administrative or technical assistance
    - Other tax incentives

In conjunction with the Employer Survey, The HRSA Project re-appropriated some funds to support a small survey on non-profits in the State to address issues relating to the lack of health insurance coverage in New Mexico non-profit organizations. The survey will query non-profit organizations throughout New Mexico and mirror some of the questions in the HPC Employer Survey in order to gather answers to the following questions:

- If a New Mexico non-profit does not offer health insurance coverage - why not?
- What would it take for a non-profit to purchase a health insurance plan?
- What type of package appeals to them?
- What administrative barriers prevent non-profits from exploring health care coverage?

2.1 Characteristics of firms that do not offer coverage

Many workers do not have access to employment-based insurance because their employer does not offer it. Employers face potentially steep insurance costs in the small group markets and costs vary notably, depending on employees' medical histories and the state of residence. Small employers are much less likely to offer coverage and when they do offer it, premiums tend to be higher, with fewer benefits and higher deductibles. The Robert Wood Johnson Foundation reported in 2003, that among small employers who do not offer coverage, three out of four say premiums are too expensive while a third say they believe their employees can find insurance elsewhere.

In New Mexico, with an economy based largely on services, retail, construction, tourism and small business – areas that do not traditionally offer health care insurance – the employer-based coverage structure remains fractured, and continues to be one of the statistically lowest in the nation. The state also has a proportionately large number of non-profit entities – approximately 7,900 are currently registered with the State Attorney General – many or most of which cannot afford to sponsor coverage for their employees. The New Mexico Department of Labor's (NMDOL) 2003 statistics indicate out of the 46,961 employers in the state, 76.7% have fewer than 10 workers and 88.1% have fewer than 20 workers. The NMDOL also reports that 41.9% of these employers do not offer health insurance to their employees.

Establishments with and without Health Insurance – By Size:

Health			Establishment Size				
Insurance	2-4	5-9	10-24	25-49	50-199	200+	Totals
Yes	43.8%	50.6%	71.4%	82.1%	90.3%	100.0%	58.1%
No	56.2%	49.4%	28.6%	17.9%	9.7%	0.0%	41.9%

- Of the employers surveyed, 58.1% have a health insurance program, 41.9% do not.
- Less than one-half (47%) of the employers with fewer than 10 workers have a health insurance program.
- All of the employers with 200 or more workers have a health insurance program.

Establishments with and without Health Insurance – By Industry:

Industry	Yes	No
Agriculture	44.3%	55.7%
Mining	84.2%	15.8%
Construction	51.7%	48.3%
Manufacturing	60.7%	39.3%
Transportation, Communications, Utilities	57.2%	42.8%
Finance, Insurance, Real Estate	68.5%	31.5%
Retail Trade	48.4%	51.6%
Wholesale Trade	64.8%	35.2%
Services	61.0%	39.0%
Totals	58.1%	41.9%

- The Mining industry has a relatively high percentage of employers with health insurance programs (84.2%).

- Less than one-half of the employers in the Agricultural and Retail Trade industries have a health insurance program.

Summary

New Mexico has an astounding percentage of small employers and these employers make up a large basis for the problem of uninsurance. In response the HRSA Project shifted its focus away from only studying individuals and added additional surveys assessing employers abilities to provide employer sponsored insurance. The Employer survey is being drafted in conjunction with the Health Policy Commission and it is hoped that it will be quickly implemented for an end of year preliminary report to be presented to the legislative session. The Non-Profit Survey is a small, primarily web-based instrument that is about to be launched. The expected outcome is a report at the beginning of November and will be marketed at an annual non-profit Conference in mid-October.

Section 3. The Health Care Marketplace

3.9 Did you consider the experience of other States?

As the HRSA Project began to assess what we know and do not know about the New Mexico uninsured population as well as assemble past initiatives and possibilities for policy formation; we discovered that New Mexico had already focused on multiple attempts at providing individual coverage. Apparently, the State was poised to initiate the public/private partnership and shift the focus to employer-sponsored insurance. Thus we have monitored what other states are doing in regards to this issue specifically and they have included:

- Premium assistance Programs
- Reinsurance
- Scaled-back benefit plans/Review of state regulatory reform
- Statewide voluntary purchasing alliances
- Tax relief/credits for employers
- Administrative assistance

Summary

The Health Care Marketplace is in the preliminary stages of development by the HRSA Project and we are actively working in partnership with the Legislative Health and Human Services HB 955 study. Members of this committee are members of the HRSA staff group and together we have been clear to realize our mutual dependency, while attempting to draw clear boundaries in our separate responsibilities, as not to confuse State stakeholders. HB 955 will build a basis for further analysis and a wealth of initial information on the State's status of public and private health care costs in New Mexico; the HRSA Project will utilize this evaluation to formulate a projection for addressing the health care needs of the state's uninsured.

Section 4. Options and Progress in Expanding Coverage

4.1 Which coverage expansion options were selected by the State?
4.2 What is the target eligibility group under each expansion?

While it is premature to speak to efforts that will be generated by the data the HRSA Project is collecting, there are many previous efforts New Mexico has already implemented based on our recurring awareness of the uninsured issue. In the Executive Summary we bulleted these initiatives and here will explain in more detail how they work.

Previous Efforts in New Mexico to Cover the Uninsured

- **SCHIP Program Medicaid Section 1115 Waiver**
  New Mexico has placed a heavy emphasis on expanding coverage to children through the State Children's Health Insurance Program (SCHIP). SCHIP was established by the federal government in 1997, and specifies that children living in families with incomes at or below 200 percent FPL are eligible for coverage. To expand this coverage level further, New Mexico applied for and received a Section 1115 Waiver that allowed the state's SCHIP program to extend to children in families with incomes up to 235 percent of the federal poverty level (FPL), making New Mexico's program one of the nation's most expansive.

- **HIFA Section 1115 Waiver**
  The Centers for Medicare and Medicaid Services (CMS) have enhanced the flexibility of states to increase coverage in Medicaid and SCHIP through the Health Insurance Flexibility and Accountability (HIFA) waiver initiative. HIFA allows states to finance coverage expansions by reducing the cost of public coverage in ways not otherwise permitted, such as changing benefits and increasing cost-sharing for certain groups. The primary goal of the HIFA initiative is to encourage new state-level approaches to Medicaid that will increase the number of individuals with health insurance coverage, using available resources, to populations with incomes below 200 percent FPL.

  New Mexico's State Coverage Initiative (SCI) program, made possible through a HIFA waiver, introduces coverage to childless adults and parents of Medicaid and SCHIP children up to 200 percent FPL. The project estimates that up to 40,000 currently uninsured individuals may be covered under SCI.

  SCI is unique and has gained national attention because it differs from traditional models that coordinate public and private resources in the form of premium assistance for existing employer-sponsored insurance plans so that low-income uninsured individuals may purchase insurance. By contrast, SCI allows the State of New Mexico to contract with managed care organizations to provide an entirely new insurance product that employers will be able to offer to their low-income workers.

- **Section 1931 Waiver**
  Section 1931 waivers require states to cover at least those parents with incomes below the 1996 Aid to Families with Dependent Children (AFDC) income thresholds, regardless of whether they receive cash assistance. Section 1931 waivers also allow states to cover individuals with higher incomes. Federal law requires states to disregard at least $90 per month in earned income when assessing Medicaid eligibility; however, Section 1931 waivers allow states to increase this income disregards, effectively raising the income

limits for Medicaid eligibility. New Mexico's Section 1931 waiver has allowed the state to raise the income disregards to $120 and one-third of remaining earnings.

- **State-Only High Risk Pool**
  The New Mexico Medical Insurance Pool (NMMIP) is a state-run program designed for individuals with high-risk health conditions who cannot otherwise obtain coverage or whose medical costs preclude them from obtaining coverage at affordable prices in the private market. One feature unique to NMMIP is the provision that qualifying individuals with incomes up to 200 percent FPL may receive a subsidy of up to 25 percent of the premium. Nonetheless, the NMMIP remains a limited means of attaining affordable health care because its current administrative structures and funding streams are insufficient for substantial growth of the program.

- **State-Only Tax Incentives**
  A tax incentive is a credit or deduction that reduces the cost of purchasing health insurance through a reduction in an individual or employer's tax burden. New Mexico's current tax structure specifically targets individuals with deductions that include:
    - For surviving spouses and married individuals, 25 percent of medical care expenses, including their premium if their income is less than $30,000; 15 percent for those with incomes between $30,000 and $70,000; and 10 percent for those with incomes greater than $70,000;
    - For individuals or married persons who file separately, 25 percent of medical care expenses, including their premium if their income is less than $15,000; 15 percent for those with incomes between $15,000 and $35,000; and 10 percent for those with incomes greater than $35,000; and
    - For heads of household, 25 percent of medical care expenses, including their premium if their income is less than $20,000; 15 percent if their income is between $20,000 and $50,000; and 10 percent for those with incomes greater than $50,000.

- **Purchasing Alliances**
  Purchasing alliances seek to achieve cost savings by combining the purchasing power of included entities to negotiate rates lower than each could otherwise negotiate from an insurance company or MCO. The New Mexico Health Insurance Alliance (NMHIA) was created in 1994 by the State Legislature and is an alliance of independent health insurers who have agreed to offer similar health plans to companies with 50 or fewer eligible employees, including the self-employed and individuals who have lost group health coverage. The NMHIA is subsidized with a premium tax on all health insurance carriers

Summary

The failure of prior efforts to bring about comprehensive change has been the impetus for multiple recent legislative and policy alterations, and is the primary driver behind the funding for the New Mexico HRSA State Planning Grant program. While steps taken to reduce the number of uninsured have made incremental gains in New Mexico in the past several years, they have lacked the structural and financial scope needed to achieve consequential change in the lives of

all, or even most, New Mexicans. These efforts have been fragmented and piecemeal, rather than coordinated under a single overarching strategy.

The New Mexico State Planning Grant Project has approached New Mexico's problem of medical indigence by investigating different structures, financing mechanisms, private and public coverage tactics, benefit packages, timeframes, and strategies for implementation to determine what will be most effective for each subpopulation of the state's uninsured. To address these needs, the State Planning Grant Project must result in a clear description of the populations at risk, the types of services they need, and the potential funding mechanisms for each proposed solution. With a multi-agency working staff group, numerous Advisory Committees, and the working relationship with stakeholders, it is inspiring to see that a coordinated state response to the uninsured has formulated, negating the previous fragmented ways of operation. With the many surveys the State Planning Grant is conducting, and this corresponding reaction, there is no question that something solid will be produced to target the state's overall uninsurance problem. The HRSA Project anticipates its impact on the upcoming legislative session and its ensuing results.

Section 5. Consensus Building Strategy

Although New Mexico received notice of its State Planning Grant award in October 2003, the project was delayed in large part due to the recruitment and hiring processes required to engage key personnel. Preceding the hire of official project staff, there were multiple and ongoing in-kind contributions by current state employees, who did the preliminary work needed to ensure that New Mexico met the requisites of the grant award; initiate and draft contracts; establish financial accounting codes; schedule and coordinate initial project meetings; and execute the hiring process. A Project Director was hired in February, and a Financial Analyst in April.

5.1 What was the governance structure used in the planning process and how effective was it as a decision-making structure? How were key State agencies identified and involved? How were key constituencies incorporated? How were key State officials in the executive and legislative branches involved?

The State Planning Grant is blessed to have an actively engaged, committed, hard working group of stakeholders in the Staff group, reflecting a wide range of entities that are invested in the issue of the uninsured. This group meets monthly to go over the progress of the HRSA objectives, discuss problems and find solutions. Through these relationships, as stated above, we are able to expand upon the original components of the State Planning Grant and build in the new collection of surveys focused on the identified spotlight of employer sponsored data. This group is comprised of:

- State Planning Grant Staff
- The Secretary of the Human Services Department
- The Director of Medicaid
- The Health Policy Advisor to the Governor
- The Director of the Risk Management Division/General Services Division
- The Deputy Director of the Health Policy Commission
- The Deputy Director of Legislative Health and Human Services, and
- The Chief Economist of the Medical Assistance Division

- The Project Director of SCI

It is important to note the connection of the Governor's Health Policy Commission to the State Planning Grant. In New Mexico, because of prior efforts to look at and develop legislation around the uninsured, there was an already existing structure and impetus in place creating an exception to most other State Planning Grants. The HCCA is an advisory group to the Governor encapsulating multiple initiatives in New Mexico including: HB 955, SCI, legislative attempts by policymakers and the State Planning Grant. While all of these groups work closely together, the HCCA is not a specific body only for the State Planning Grant to utilize, their primary goal is to monitor the many tracks and advise according to already outlined objectives presented to the Governor.

The working group is such a strong component of the fast moving HRSA Project that we have found consensus building strategies to evolve and materialize depending on the issue at hand. We have worked hard to involve the HCCA, the Medicaid Advisory Committee, the Legislative Health and Human Services Committee at key junctures in the process. Ensuring their feedback in the questionnaire development of the HRSA Project as well as reporting out necessary information as it is gained.

We initially developed two advisory committees that were brought together for short-term decision-making. One committee, termed the "Financial Committee", met to iron out the actuarial analysis that William Mercer, Inc. would perform with agreed upon criteria and structural framework to be taken to the legislative session. Another committee for the Household Survey instrument, met to provide input and summarize multiple feedback streams to ensure that all voices were heard and incorporated in meaningful ways into the questionnaire.

5.3 What other activities were conducted to build public awareness and support?

The HRSA Project built a website as a source of public awareness and a means to keep interested parties and stakeholders informed. The website can be accessed at www.hrsa.state.nm.us/.

Summary

We anticipate using less formal or structured meetings, moving away from the all inclusive, multi-constituent format that seems to provide more of a stomping ground for personal agendas. Small, focused advisory committees retain the goal of everyone involved while creating better synergy for attentive, quick action.

Section 6. Lessons Learned and Recommendations to States

6.3 What (if any) data collection activities were originally proposed or contemplated that were not conducted? What were the reasons?

A DOI database-mining project was completed in March and, in spite of the hope that this would prove an effective way of examining DOI data, the results proved to be largely unrelated to the goals of the State Planning Grant project. Because this initial project was limited and not explored to the full extent of the proposed budget, funding was freed to lay the groundwork for other studies that focus on employer data.

6.5 What additional data collection activities are needed and why? What questions of significant policy relevance were left unanswered by the research conducted under the HRSA grant? Does the State have plans to conduct that research?

New Mexico's original State Planning Grant application and subsequent grant award highlighted two major data collection initiatives to assist state lawmakers, policy makers and stakeholders in obtaining a better understanding of the income levels, family configurations and demographics of New Mexico's uninsured subgroups; and in facilitating comprehensive cost-analyses of multiple coverage options and strategies, to include information on benefits, populations and funding sources. New Mexico has initiated and, in some cases completed, its original data collection plans with the support of the State Planning Grant funding. Since beginning these activities, project staff have identified further areas where added funding would prove instrumental to rounding off this data and to creating a still more concise picture of various uninsured populations in New Mexico.

- ***Gather Qualitative Data About New Mexico's Uninsured***

As a state with a very small population, New Mexico must engage in specific data collection efforts that target its unique cultures, regions and social dynamics. National calculations of New Mexico statistics, such as the Current Population Survey (CPS), have proven to be imprecise for effective policy, program and legislative planning, since the samples used are quite small and the confidence intervals quite large. In a state with relatively few residents, even small sampling or measurement errors can seriously undermine targeted planning efforts.

While New Mexico's current State Planning Grant resources support a household survey of the uninsured that will capture quantitative data that has been uncharted in previous statewide studies, it is proposed that project staff work to expand this data to gather a set of more nuanced and qualitative data that are tailored to capture information about uninsured groups and subgroups that may not be fully captured in the household survey. These individuals might include Native Americans who reside on reservations; persons without telephones or who may compose more transient populations; and those who fall in between the categories that are traditionally assigned to uninsured individuals. Qualitative evaluation models such as focus groups and interviews are proposed to enable more detailed information about the coverage challenges that New Mexicans face, but which may not be encapsulated in a general household survey. It is expected that these might include, stigma about public programs, financial barriers, what they are willing to pay to buy-in to a structure as well as feedback on differing initiatives and what they think would have the most effectiveness.

6.8 What are the key recommendations that your State can provide other States regarding the policy planning process?

In accordance with the second major component of New Mexico's State Planning Grant project to complete thorough fiscal and economic impact analyses of various reform approaches and proposals that aim to increase the availability of affordable access to health care coverage for all New Mexicans, a contract has been in place with William Mercer, Inc., since March 2003. Mercer will provide a varying array of potential analyses including: analyzing rate structures for special populations, compute the potential cost of benefit packages based on certain eligibility groups, and perform actuarial analysis on the impact of drafted policy initiatives.

Considering that CMS mandates actuarial cost structuring within Medicaid helping to provide an established economic analysis and framework for modeling of policy options, it is surprising that more states do not incorporate this level of examination in their policy formation. This Interim Report did not offer the opportunity or present the questions necessary to speak to this aspect of our grant objectives, which seems an inherent part of our work. We recommend that HRSA provide more training in this type of policy analysis, more ability to report out on the outcomes and we recommend that more States incorporate a solid financial analysis that will accompany the data collection efforts that the HRSA State Planning Grant provides. Through evidence-based policy and hard numbers reflecting the potential impact on the uninsured and the anticipated costs, legislators are given the tools to formulate policy with broad-reaching impact.

6.9 How did your State's political and economic environment change during the course of your grant?

When the HRSA State Planning Grant was granted to New Mexico, New Mexico was one of only three States in the nation to be experiencing a surplus in State revenue. In the past year that has changed and cost containment in all levels of government has become a major focus. New Mexico is not immune to the current economic climate being experienced by all States, due to increasing growth in public programming and increased competition in State priorities. Thus, originally the HRSA Project may have contemplated further expansion opportunities, but now must consider creative ways to broaden the prospects to the uninsured without additional State subsidization.

6.10 How did your project goals change during the grant period?

As said before, The HRSA Project moved away from focusing strictly on individuals and began to look toward employer sponsored insurance options. With the high rate of small employers in our state and the amount of expansion efforts already implemented focusing on individual take-up, it made sense to shift our energy toward the small employer market.

Section 7. Recommendations to the Federal Government

7.3 What additional support should the Federal government provide in terms of surveys or other efforts to identify the uninsured in States?

In geographical terms, New Mexico is the fifth largest state in the nation; however with its comparatively small population, nearly one-third of the state's residents are not concentrated in urban centers but are widely dispersed in rural or frontier areas that are, for a multitude of reasons, difficult to provide with the infrastructure necessary for adequate and affordable quality health care. Not only is it difficult to provide that infrastructure, it can be a troubling State to conduct surveys that include the diverse subpopulations with an adequate sample size.

Most Federal sources of research are unable to capture the nuances of the New Mexico landscape because they either ignore the State all together in their data collection efforts or they do not collect enough of a sample size to make it statistically valid. The CPS is one of the only Federal sources available to New Mexico and nationally the CPS is recognized as an incomplete resource. New Mexico encourages Federal survey efforts to include a valid New Mexico sample size in their studies, like MEPS-IC intends to do in the future.

Appendix I. Baseline Information

Where applicable, the New Mexico HRSA Project included this information in its narrative report. The following requested baseline information will be provided in the Final Report, when we can summarize the results of our Household Survey.

- Population
- Number and percentage of uninsured
- Average age
- FPL levels and income
- Percent of population living in poverty
- Primary industries
- Number and percentage of employers offering coverage
- Number and percent of small businesses and self-insured
- Payer mix
- Provider competition
- Insurance market reforms
- Eligibility for existing coverage programs (Medicaid/SCHIP/other)
- Use of Federal waivers

Appendix II. Links to Research Findings and Methodologies

We work to update our website with the most current survey instruments, timeline and reports. To access this information, go to http://www.hrsa.state.nm.us/.

Appendix III. Attachments

1. Household Survey Instrument – prior to programming
2. Non-Profit Survey Instrument – web version
3. Employer Survey Instrument – draft only
4. New Mexico HRSA White Paper – final version, April 2004
5. Department of Labor – New Mexico State MAP

I) **Household Survey Instrument:**

Human Services Department / NMSU
Uninsured Household Survey
September 29, 2004
EIGHTH DRAFT
N =

Hello. My name is *YOUR NAME* from Research & Polling, Inc. We are calling on behalf of the State of New Mexico to conduct an important survey in order to learn more about the health insurance needs of New Mexicans. Your telephone number was randomly selected to be called. Your responses will remain confidential (and be used only in combination with those of the other survey participants). We would greatly appreciate your participation. O.K.? The survey will take between ?? and ?? minutes per person.

1. Do you live in this household? *(IF NO)* **May I speak with an adult who resides in this household?** *(IF NO) Ask for a more convenient time to call back.*

1. Yes, live in this household

2. Does not live in household/household member not available
   Schedule call back time _____

3. Refusal

2. How many people live in your household?

_____ (EXACT RESPONSE)

99. Won't say **POLLER—PLEASE READ:** "IN ORDER TO PARTICIPATE IN THIS SURVEY IT'S NECESSARY TO KNOW THE SIZE OF EACH HOUSEHOLD"

3. May I have *your/their* **first names (or initials) and year of birth (or age if not sure of Y.O.B.)?**

NAME	Respondent						
Y. O. B. (OR AGE)							

4. What is *X's* relationship to you? (REPEAT WITH EACH HOUSEHOLD MEMBER)

01. Spouse	06. Grandchild	11. Friend
02. Father/In-law	07. Grandparent	12. Roommate
03. Mother/In-law	08. Aunt/uncle	13. Partner
04. Sister/brother/ step	09. Niece/Nephew	14. Other
05. Son/daughter/ step	10. Cousin	99. Don't know/ won't say

NAME	Respondent						
Relationship	VACANT						

5. *Are you/is X* **currently**: (REPEAT WITH EACH PERSON 16 YEARS AND OVER) (BORN IN 1988 OR EARLIER)

1. Single/never married	4. Divorced	8.Don't know DO NOT READ)
2. Married	5. Separated	9.Won't say (DO NOT READ)
3. Living w/partner	6. Widowed	
	7. Other (DO NOT READ)	

NOTE TO POLLER: IF MULTIPLE MARITAL STATUSES' PER PERSON USE MOST CURRENT REASON

NAME	Respondent						
Marital Status							

6. *Are you/is X* **currently covered by a health insurance policy including Medicare and Medicaid?** (CLARIFY IF NECESSARY—premiums, co-pays, and deductibles usually apply—free health care is not an insurance policy—i.e., Indian Health Services/school clinic) (REPEAT WITH EACH HOUSEHOLD MEMBER)

1. Yes (SKIP TO Q. 8) 2. No

NAME	Respondent						
Yes/No							

7. *Have you/has X* **been covered by any health insurance policy during the past twelve months?** (REPEAT WITH EACH HOUSEHOLD MEMBER)

1. Yes (SKIP TO Q. 10) 2. No (SKIP TO Q. 10)

NAME	Respondent						
Yes/No							

8. *Have you/has X* **been covered by a health insurance policy for all of the past twelve months? (IF NO) How many of the past 12 months** *were you/was X* **not covered by any health insurance policy?** (IF YES, SKIP TO Q. 75) (REPEAT WITH EACH HOUSEHOLD MEMBER ANSWERING YES TO Q. 6)

NAME	Respondent						
Yes/No							
# of Months							

9. **Why have you or other household members only had health insurance for part of the past year?** (DO NOT READ. TAKE UP TO 3 RESPONSES.)

ALL ANSWERS SKIP TO Q. 75

01. Didn't want it
02. Healthy/rarely sick
03. Don't know where to get it
04. Can't afford it
05. Cost not worth benefits (value)
05. Lost/quit/changed jobs
06. Took early retirement
07. Too much hassle
08. Awaiting coverage by another policy
09. Benefit package doesn't meet my needs
10. Not eligible
11. Was/might be rejected by health status
12. Employer doesn't offer health insurance
13. Don't believe in it
14. Only use natural/alternative medicine/doctors

Other (SPECIFY) _____

Other (SPECIFY) _____

Other (SPECIFY) _____

10. *Are you/is X* **employed?** (REPEAT WITH EACH HOUSEHOLD MEMBER 16 YEARS OR OLDER) (IF NO, SKIP TO Q. 13)

NAME	Respondent						
Yes/No							

11. **Does** *your/their* **employer offer health insurance?** (REPEAT WITH EACH ADULT HOUSEHOLD MEMBER ANSWERING YES TO Q. 10) (IF NO, SKIP TO Q. 13)

NAME	Respondent						
Yes/No							

12. **Does** *your/their* **employer offer family coverage?** (REPEAT WITH EACH ADULT HOUSEHOLD MEMBER ANSWERING YES TO Q. 10)

NAME	Respondent						
Yes/No							

13. **Why aren't you or other members of your household covered by health insurance?** *(PROBE)* **Are there any other reasons?** (DO NOT READ. TAKE UP TO 3 RESPONSES.)

01. Didn't want it
02. Healthy/rarely sick
03. Don't know where to get it
04. Can't afford it
05. Cost not worth benefits (value)
05. Lost/quit/changed jobs
06. Took early retirement
07. Too much hassle/too confusing to apply/get enrolled
08. Awaiting coverage by another policy
09. Benefit package doesn't meet my needs
10. Not eligible
11. Was/might be rejected due to health status
12. Employer doesn't offer health insurance
13. Don't believe in it
14. Only use natural/alternative medicine/doctors

Other (SPECIFY)_____

Other (SPECIFY) _____

Other (SPECIFY) _____

Now I'd like to read you some reasons why other people have said they're not covered by health insurance. Please tell me on a scale of 1 to 4 with 1 being does not describe your

household situation well at all and 4 being describes your household situation very well, how well each of these factors describes your health insurance situation. (RANDOMIZE)

		Describes My Situation Very Well			*Does Not Describe My Situation Well At All*	*Don't Know/ Won't Say*
14.	**Can't afford it**	4	3	2	1	5
15.	**Lost job, quit job or changed jobs**	4	3	2	1	5
16.	**Don't need health insurance because household is healthy**	4	3	2	1	5
17.	**Health insurance isn't important for household**	4	3	2	1	5
18.	**Can't get health insurance because of health issues**	4	3	2	1	5
19.	**Not eligible for health insurance**	4	3	2	1	5
20.	**Have access to health care already**	4	3	2	1	5

21. Were any members of your household eligible for Medicaid or Salud during the past 12 months? (IF YES) **Was it an adult, a child or both that were eligible?**

1. No, not eligible (SKIP TO INTRO TO Q. 24)
2. Adult (SKIP TO INTRO TO Q. 23)
3. Child (SKIP TO INTRO TO Q. 23)
4. Both (SKIP TO INTRO TO Q. 23)
5. Don't know/won't say

22. If you knew that you or another household member was eligible for Medicaid or Salud would you enroll in the program?

1. Yes (SKIP TO INTRO TO Q. 24)
2. No
3. Don't know/won't say (SKIP TO INTRO TO Q. 24)

23. Why would you not enroll? (DO NOT READ. TAKE UP TO 3 RESPONSES.)

01. Don't need it
02. Healthy/never get sick

03. It's like Welfare
04. Too proud
05. Too much paperwork
06. Don't have time
99. Don't know/won't say

Other (SPECIFY) _____

Other (SPECIFY) _____

Other (SPECIFY) _____

<u>Comprehensive health insurance</u> covers most of a person's health care needs, including the costs of vaccinations, drugs, and routine office visits, as well as major health issues such as broken bones and surgery.

24. Do you feel the uninsured members of your household need comprehensive health insurance?

1. Yes
2. No (SKIP TO Q. 28)
3. Don't know/won't say (SKIP TO Q. 28)

25. How likely would you be to buy comprehensive insurance for the uninsured members of your household if it cost $400 per month?

Very Likely ... *Very Unlikely* ... *Don't Know/ Won't Say*

(4.....3).....2.....1.....5
(SKIP TO Q. 28)

26. How likely would you be to buy comprehensive insurance for the uninsured members of your household if it cost $300 per month?

Very Likely ... *Very Unlikely* ... *Don't Know/ Won't Say*

(4.....3).....2.....1.....5
(SKIP TO Q. 28)

27. How likely would you be to buy comprehensive insurance for the uninsured members of your household if it cost $200 per month?

Very ... *Very* ... *Don't Know/*

Likely *Unlikely* *Won't Say*

(4.....3).....2.....1.....5
(SKIP TO Q. 28)

28. There is different type of health insurance that is less expensive, but only covers things like broken bones, accidents and surgery but won't cover routine things like the comprehensive health insurance does. Do you think the uninsured members of your household need such a plan that only covers broken bones, accidents and surgery?

1. Yes

2. No (SKIP TO Q. 32)

3. Don't know/won't say (SKIP TO Q. 32)

29. How likely would you be to buy this type of insurance for the uninsured members of your household if it cost $300 per month?

Very Likely *Very Unlikely* *Don't Know/ Won't Say*

(4.....3).....2.....1.....5
(SKIP TO Q. 32)

30. How likely would you be to buy this type of insurance for the uninsured members of your household if it cost $200 per month?

Very Likely *Very Unlikely* *Don't Know/ Won't Say*

(4.....3).....2.....1.....5
(SKIP TO Q. 32)

31. How likely would you be to buy this type of insurance for the uninsured members of your household if it cost $100 per month?

Very Likely *Very Unlikely* *Don't Know/ Won't Say*

(4.....3).....2.....1.....5
(SKIP TO Q. 32)

32. When an uninsured member of your family needs urgent medical care, such as a bad sore throat or an ear infection, where would you go? (DO NOT READ. TAKE UP TO 3 RESPONSES.)

01. Hospital ER
02. Community Health Center
03. School Clinic
04. Employer Clinic
05. Urgent Care Center
06. Indian Health Service Center
07. VA Clinic
08. Doctors Office
98. Never needed urgent care (SKIP TO Q. 56)
99. Don't know/won't say

Other (SPECIFY) _____

Please tell me if an uninsured household member has sought urgent or minor care treatment at any of the following places in the past year. (RANDOMIZE)

	Has an uninsured household member sought urgent care at (read below) in the past year?			*(IF YES):* **How many times have** *you/they* **received urgent treatment there in the past year?**
	Yes	*No*	*DK*	
33. **Emergency room at my local hospital**	1	2	3	**34.** _____ (times) 99. Don't know/won't say
35. **Community health center**	1	2	3	**36.** _____ (times) 99. Don't know/won't say
37. **School clinic**	1	2	3	**38.** _____ (times) 99. Don't know/won't say
39. **Employer clinic**	1	2	3	**40.** _____ (times) 99. Don't know/won't say
41. **Urgent care center**	1	2	3	**42.** _____ (times) 99. Don't know/won't say
43. **Indian Health Service Clinic**	1	2	3	**44.** _____ (times) 99. Don't know/won't say
45. **VA clinic**	1	2	3	**46.** _____ (times) 99. Don't know/won't say
47. **Doctor's office**	1	2	3	**48.** _____ (times) 99. Don't know/won't say
49. **Chiropractor's office**	1	2	3	**50.** _____ (times) 99. Don't know/won't say
51. **Acupuncturist's office**	1	2	3	**52.** _____ (times) 99. Don't know/won't say
53. **Natural or alternative healer**	1	2	3	**54.** _____ (times) 99. Don't know/won't say

55. Thinking of the uninsured members of your household, who typically pays for care when you go to *this/these* place(s)? (DO NOT READ CATEGORIES) (TAKE UP TO 3 RESPONSES)

1. Self
2. Free/no charge
3. Can't pay/insufficient funds
4. Parents
5. Other
6. Don't know/won't say

56. When an uninsured member of your family needs medical treatment for an ongoing or continuing condition, like high blood pressure, diabetes or arthritis, where do you usually get treatment? (DO NOT READ. TAKE UP TO 3 RESPONSES.)

01. Hospital ER
02. Community health center
03. School clinic
04. Employer clinic
05. Urgent care center
06. Indian Health Service center
07. VA clinic
08. Doctors office
98. No one has continuing condition (SKIP TO Q. 70)
99. Don't know/won't say

Other (SPECIFY) _____

Please tell me if an uninsured household member has sought health care treatment for an ongoing or continuing condition at any of the following places in the past year. (RANDOMIZE)

		Yes	*No*	*Don't Know*
57.	**Emergency room at my local hospital**	1	2	3
58.	**Community health center**	1	2	3
59.	**School clinic**	1	2	3
60.	**Employer clinic**	1	2	3

61. **Urgent care center**.....1.....2.....3

62. **Indian Health Service clinic** .....1.....2.....3

	Yes	*No*	*Don't Know*
63. **VA clinic**.....1.....2.....3			
64. **Doctor's office**.....1.....2.....3			
65. **Chiropractor's office** .....1.....2.....3			
66. **Acupuncturist's office**.....1.....2.....3			
67. **Natural or alternative healer** .....1.....2.....3			

68. **Thinking of the uninsured members of your household, who typically pays for care when you go** *to this/these* **place(s) for an ongoing or continuing condition?** (TAKE UP TO 3 RESPONSES)

1. Self
2. Free/no charge
3. Can't pay/insufficient funds
4. Parents
5. Other
6. Don't know/won't say

69. **Typically, when the uninsured members of your household go to** *this place/these places***, do you/they usually see the same health care provider or not?**

1. Yes
2. No
3. Don't know/won't say

70. **DID RESPONDENT ANSWER 01 - HOSPITAL ER IN QUESTION 32 OR 56?**

1. Yes

2. No (SKIP TO Q. 72)

71. Why do household members choose to go to the hospital emergency room for urgent care or a continuing condition as compared to other treatment places? (DO NOT READ. TAKE UP TO 3 RESPONSES)

01.	Close to home	10.	Most familiar with it
02.	Only place available	11.	Range of services
03.	Good medical care	12.	Availability of specialists
04.	Have always gone there	13.	Like the staff
05.	Personalized care	14.	Largest in region
06.	Self/friend/relative works there	15.	Referral by employer
07.	Overall reputation	16.	Good doctors
08.	Recommendation	17.	Don't have insurance
09.	New equipment and technology	99.	Don't know/won't say

Other (SPECIFY) _____

72. *Do you/does X* **have a disability?** (IF NO, SKIP TO INTRO TO Q. 75)

NAME	Respondent						
Yes/No							

73. Does *your/their* **disability require ongoing treatment?** (IF NO, SKIP TO INTRO TO Q. 75)

NAME	Respondent						
Yes/No							

74. Where do *you/does X* **usually seek treatment for this condition?** (DO NOT READ. ONE RESPONSE ONLY.)

01. Hospital ER
02. Community health center
03. School clinic
04. Employer clinic
05. Urgent care center
06. Indian Health Service center

07. VA clinic
08. Doctors office
09. RCI
97. Don't seek treatment
98. Don't require treatment
99. Don't know/won't say

Other (SPECIFY) _____

NAME	Respondent						
Response							

THANK YOU FOR YOUR PATIENCE. NOW I'D LIKE TO ASK YOU SOME QUESTIONS FOR STATISTICAL PURPOSES ONLY.

75. What is X's gender? (RECORD GENDER FOR RESPONDENT WITHOUT ASKING)

NAME	Respondent						
Gender (M/F)							

76. What is your zip code?

_____

77. What county do you live in?

01. Bernalillo
21. Catron
08. Chaves
30. Cibola
09. Colfax

10. Curry
11. De Baca
22. Dona Ana
12. Eddy
23. Grant
13. Guadalupe
14. Harding
24. Hidalgo
15. Lea
16. Lincoln
33. Los Alamos
25. Luna
31. McKinley
03. Mora
26. Otero
17. Quay
04. Rio Arriba
18. Roosevelt
02. Sandoval
32. San Juan
05. San Miguel
06. Santa Fe
27. Sierra
28. Socorro
07. Taos
19. Torrance
20. Union
29. Valencia
99. Don't know/won't say

78. How long *have you/has X* **lived in New Mexico?** (ASK AMONG ADULTS 16 YEARS OR OLDER)

NAME	Respondent						
# of							

Years							

79. *Are you/is X* **Spanish/Hispanic/Latino?**

NAME	Respondent						
Yes/No/ Won't Say							

80. What is your/X's race? (READ CATEGORIES)

01. White

02. Black/African American

03. American Indian

04. Asian

OR

Other (SPECIFY)_____

99. Won't say

NAME	Respondent						
Race							

81. What is the highest school grade or level *you/X* **completed?** (ASK AMONG ADULTS 18 YEARS OR OLDER)

1. Some high school
2. High school graduate
3. Some college
4. Associate degree/vocational certificate
5. College graduate (4 years)
6. Graduate degree
7. Won't say

NAME	Respondent						

Education							

82. (ASK ONLY OF PEOPLE WITH INSURANCE, RECORD ANSWERS FROM Q. 10 FOR THOSE WITHOUT INSURANCE) Are you/is X **currently employed for pay?** (IF NO SKIP TO Q. 86)

NAME	Respondent						
Yes/No							

83. Which of the following best describes your/X's **employment?**

1. Full-time, year round employment (this means permanent employment at least 35 hours per week)

2. Temporary, full-time employment (this means non-permanent employment at least 35 hours per week while working)

3. Self-employed

4. Seasonal employment (this means recurring temporary employment)

5. Part-time employment (this means employment for less than 35 hours per week)

6. Multiple part-time jobs (this means holding at least 2 part-time jobs as defined in 5 above)

NAME	Respondent						
Response							

84. How long have *you/X* **been in this job?**

NAME	Respondent						
Response							

99. Don't know/won't say

85. What kind of business is the place you work?

86. What is your household's total income from all sources? This includes salaries, pensions, wages, tips, dividends, child support and alimony payments, and government assistance. You need not tell me the amounts from each source, only the total.

$——— (EXACT AMOUNT)

(IF REFUSE, ASK IN FOLLOWING INCREMENTS ACCORDING TO HOUSEHOLD SIZE) (STOP ASKING INCOME CATEGORIES WHEN RESPONDENT SAYS "BELOW")

Size of HH	Is HH income above or below:	Is HH income above or below:	Is HH income above or below:	Is HH income above or below:
1	**$8,980**	**$16,613**	**$21,103**	**$26,940**
2	**12,120**	**22,422**	**28,482**	**36,360**
3	**15,260**	**28,231**	**35,861**	**45,780**
4	**18,400**	**34,040**	**43,240**	**55,200**
5	**21,540**	**39,849**	**50,619**	**64,620**
6	**24,680**	**45,658**	**57,998**	**74,040**
7	**27,820**	**51,467**	**65,377**	**83,460**
8	**30,960**	**57,276**	**72,756**	**92,880**
For each additional person add	**$3,140**	**$5,809**	**$7,379**	**$9,420**

87. (IF UNINSURED HOUSEHOLD ASK:) Your responses are totally confidential. However, it is possible that there will be future studies of health insurance coverage in New Mexico. Are you willing to participate in future research, such as focus groups?

1. Yes, willing to participate in future research

   Name _____

   Address _____

   City/State/Zip _____

2. No, not willing

THIS CONCLUDES OUR SURVEY. THANK YOU FOR YOUR TIME. HAVE A GOOD DAY.

Respondent's Phone Number _____

Poller Name _____

Poller Code _____

II) Non-profit Survey Instrument:

1. Organizational information

Organization: _____
Name of person completing survey: _____ Title: _____
Telephone: _____Fax: _____E-mail: _____
Address: _____
City:_____County:_____ Zip Code:_____
EIN #_____ (ties to Guidestar 990s)

2. Please check the one (only one) classification that best describes your agency's primary focus of service.

- ❑ Animal Related
- ❑ Arts/Culture
- ❑ Children & Youth
- ❑ Economic Development
- ❑ Education
- ❑ Environmental
- ❑ Funder
- ❑ Health
- ❑ Housing/ Food
- ❑ Human Services
- ❑ Legal/Advocacy/Civil Rights
- ❑ Recreation
- ❑ Religion
- ❑ Other _____

3. In regard to your organization's primary facilities, do you (check all that apply):

❑ Rent ❑ Own ❑ Use donated facilities ❑ Don't have facilities

4. If you have the information, please provide the following:

_____ Number of employees
_____ Number of full-time employees
_____ Number of part-time/seasonal employees
_____ Number of independent contractors

5. How many employees left during the year last year? _____
How many hires did you make to replace people who left? _____

6. Has your agency experienced a change in budget or staffing recently? (Please check all that apply)

- ❑ We increased our budget during the last two years.. What percent of increase? _____
- ❑ We have added more positions (staff or contract).
- ❑ Our budget has decreased during the last two years. What percent of decrease?_____
- ❑ We have a lot of staff turnover.
- ❑ We lost some of our funding sources (grant ran out, contract not renewed)..
- ❑ Our government funding has been cut (we still have the grants/contracts, but at reduced levels).
- ❑ Our budget is tight.

7. What is your budget size?

- ❑ Under $100,000
- ❑ $100,000 to $249,000
- ❑ $250,000 to $499,000
- ❑ $500,000 to $ 1 million
- ❑ Over $1 million
- ❑ Over $5 million

8. We provide health insurance as an employee benefit. (yes/no/unsure)

9. We used to provide insurance, but we have dropped insurance (yes/no/unsure).

Insurance Options

10. Which of the following benefits do you provide?

- ❑ Health insurance
- ❑ An employer contribution toward health insurance, including Health Savings Accounts
- ❑ Catastrophic coverage, focused primarily on covering hospitalization and related surgery.
- ❑ Annual leave
- ❑ Sick leave
- ❑ Flex time
- ❑ Holidays
- ❑ Compensatory time
- ❑ Lump sum benefit to use as employee wishes
- ❑ Other (Please explain) _____

11. Please rate the following on a scale of 0 to 5 (0=no interest, 1 is lowest; 5 is highest)

- ❑ Our agency understands benefits available (health, liability, directors & officers, property & casualty).
- ❑ Our agency understands health insurance coverages and options.
- ❑ Our agency understands how to access health insurance resources.
- ❑ Our agency understands the administrative and paperwork requirements related to insurance.
- ❑ Our agency has the staff capability to handle the paperwork and administrative requirements.
- ❑ Our agency has the financial resources to provide health insurance coverage.
- ❑ Our employees have the financial resources to cover their share of premiums, deductibles and co-pays.

Health Insurance Coverage

12. What are the primary barriers to providing health insurance to employees? (rate on a scale of 0 to 5, with 0= no interest, 1 low and 5 high)

- ❑ The cost of health insurance is too high for the agency.
- ❑ It is too difficult to handle the administrative requirements.
- ❑ It is difficult gathering the information an insurance company needs to provide a quote.
- ❑ It is difficult to know how to discuss issues with the insurance company.
- ❑ We do not understand insurance coverage options available to employees.
- ❑ We are concerned that future cost increases will soon make health coverage too expensive.
- ❑ The cost of the health insurance co-payment for employees makes it prohibitive.
- ❑ We have found it difficult to obtain a carrier to write coverage.
- ❑ We are not aware whether or not there are groups that might provide insurance at a discount.
- ❑ Employees have a hard time paying the increases in their portion of coverage.
- ❑ Employees don't have a significant interest.
- ❑ Employees are covered through other family members.
- ❑ We don't need to offer health insurance to attract workers.
- ❑ We were denied by a health insurance company.
- ❑ It is difficult to have the payroll company handle deductions for insurance.
- ❑ Our employees prefer that funds go into salaries rather than benefits.

- ❑ Employee turnover makes coverage difficult.
- ❑ We have too many part time and contract workers to develop an insurance program.

13. With which of the following health insurance resources are you familiar? :

- ❑ Health Insurance Alliance
- ❑ Chambers of Commerce
- ❑ State programs (S-CHIP) – New MexiKids
- ❑ Medicaid – SALUD
- ❑ NGO New Mexico
- ❑ NM Medical Insurance (high risk) Pool
- ❑ Other _____

14. How significant are benefits to employee retention (or turnover)? (circle one number)

0	1	2	3	4	5
No Interest	Not Important		Neutral		Extremely Important

15. Approximately how many employees do you have that earn:

a. Under $8 per hour _____
b. $8 to $15 per hour _____
c. Over $15 per hour _____

16. The New Mexico state government will be considering ways to encourage employers to offer health care insurance for employees. Listed below are several ways in which the state assistance could be structured. Please rate your level of interest for each item on a scale of 0 to 5 (0 = no interest; 1=not important; 5=extremely important).

- ❑ Tax relief in the form of state income tax credits, or a state subsidy for low income employees, paid directly to the employee to help offset the cost of the employee's portion of the insurance premium.
- ❑ Tax relief in a payment from the government to agencies to help defray the costs of insurance coverage for all employees.
- ❑ Insurance policies provided to a group of agencies creating purchasing power and reducing administrative costs.
- ❑ Administrative support and technical assistance to establish employee health insurance programs.
- ❑ Administrative support and ongoing technical assistance to agencies to help them sustain their insurance programs.
- ❑ A third party that will handle all facets of insurance, thus reducing the administrative burden on the agency.

17. What is the maximum per member per month amount your agency could pay toward coverage? _____
. What is the maximum per member per month you believe employees could contribute?_____

18. Would your organization be able to pay at least $300 per member per month toward the cost of insurance? (Yes/No/Maybe)

19. Sometimes employers find that that administrative and paperwork requirements make it difficult to provide insurance coverage to employees. If you have fewer administrative requirements, would you be able to increase the amount of the agency contribution toward insurance? (yes/no/maybe)

20. Do you think your agency would be interested in a policy with limited coverage if it provided some coverage for key areas, such as hospitalization? (yes/no/maybe)

22. Please rank the following 10 items in order of importance for you: (0=no interest, 1 is least important; 10 most important) (Each item receives one ranking; no number can be used more than one time)

- ❑ Cost to the agency
- ❑ Cost for the employee portion of the premium
- ❑ Co-pay costs for employee
- ❑ Deductible costs for employee
- ❑ Range of options – cafeteria plan that provides employees choices for a set price of coverage
- ❑ Catastrophic policy that would protect employees against a major health issue, often covering just hospitalization
- ❑ Comprehensive insurance that provides substantial coverage, including but not limited to: doctors' visits, prescription drugs, behavioral health, hospitalization, physical therapy.
- ❑ Sliding fee scale and/or discounts for primary health care through the network of federally funded clinics such as Health Centers of Northern New Mexico, Ben Archer Clinic, PMS(doctor visits, preventive care, etc.)
- ❑ A flat fee payment to employees, or Health Savings Account, which they can use for insurance.
- ❑ Access to a wide range of practitioners and methods
- ❑ A way to reduce administrative and paperwork challenges

23. Catastrophic insurance coverage provides little for doctor visits or regular care, but does pay for hospital expenses. Comprehensive insurance covers outpatient and inpatient care. Which kind do you provide?

- ❑ Catastrophic: Kicks in w/ accident or incident
- ❑ Comprehensive: Broad range of Coverage (incl preventive)
- ❑ Unsure

<u>If you do provide health insurance</u> for your employees, please provide information about your coverage types, costs, and fill in the amounts in the appropriate column and checking the boxes to reflect whether coverage is traditional comprehensive, or catastrophic covering hospitalization.

Average amount employer pays per member per month? _____
Average amount employee pays per monthy? _____
Average plan deductibles for employees per year? _____

23. Have your health insurance premiums increased in the pas two years? (Yes/No/Unsure)

    By what percent? _____

24. Have you increased the employee's portion of insurance payments? (Yes/No/Unsure)

    By what percent? _____

25. Have you reduced the amount, types or options for health coverage in order to create cost savings? (Yes/No/Unsure)

26. This survey has been partially underwritten through funding from the Human Services Department (HSD) a federal grant provided by HRSA. It is conducted by Anne Hays Egan through the New Mexico Community Foundation and in partnership with NGO New Mexico, the New Mexico Nonprofit Association.

III) Employer Survey Instrument:

Health Policy Commission
Employer Survey
March 11, 2005
HPC DRAFT
N =

Hello. My name is Your Name from Research & Polling, Inc. We are calling on behalf of New Mexico Health Policy Commission to conduct a survey for their employees. Your business was randomly selected to be called. Your participation is very important because your responses are representative of many employers in New Mexico. Your individual responses will remain confidential and be used only in combination with those of the other survey participants. We would greatly appreciate your participation. OK? The survey will take between XX and YY minutes.

1. **Is this the <expected organization>?** (IF NO) **Is there a relationship with <expected organization>?** (RECORD ANSWER) **What is that relationship?** (RECORD ANSWER)

1. Yes, expected organization
2. No, but there is a relationship.
   Continue interview
3. No or refusal

2. **Does you organization have two or more employees ?**

_____ (EXACT RESPONSE)

99. Don't know/won't say

3. **Who in the organization is likely to know the most about health care coverage provided or considered?** (Name, Title, Phone Number)

(Upon contacting appropriate person – Re-Introduction)
I'm calling on behalf of the New Mexico Health Policy Commission to conduct a survey that will help us find out how the State can help small businesses offer health care coverage for their employees. We know that your employees are important and that employees tend to stay in businesses where health insurance coverage is provided. So we're talking with employers to learn about their experiences and ideas of what might help them. Your business was randomly selected to be called. Your participation is very important because your responses are representative of many employers in New Mexico. Your individual responses will remain confidential and be used only in combination with those of the other survey participants. We would greatly appreciate your participation. OK? The survey will take between XX and YY minutes.

4. Request to continue interview

1. Yes.
   Continue interview
2. No or refusal

5. **In what county is this branch of your organization located?**
[List of counties]

6. What is the Zip code for is this branch of your organization?
(_____RECORD EXACT ANSWER)

7. How long has this branch of your organization been in operation?
(_____RECORD EXACT ANSWER)

8. Is your organization a for-profit or not-for-profit organization?
(IF NO, GO TO Q 10.)

9. What type of industry is your organization involved in?
[Record exact answer and interpret later? Offer list of DOL categories?]

10. What is the minimum number of hours per week an employee must work in order to be considered as working full-time?
(_____RECORD EXACT ANSWER)

Now I'm going to ask you some questions about the number of employees having the status of year-round full-time, year-round part-time, and seasonal.

11. To the best of your knowledge, what is the total number of year-round, full-time employees that your organization has employed directly during the past year in the state of New Mexico?
(_____RECORD EXACT ANSWER)

12. To the best of your knowledge, what is the total number of year-round, part-time employees that your organization has employed directly during the past year in the state of New Mexico?
(_____RECORD EXACT ANSWER)

13. To the best of your knowledge, what is the total number of seasonal employees that your organization has employed directly during the past year in the state of New Mexico?
(_____RECORD EXACT ANSWER)

14. **What percent of your organization's employees make less than $15/hour or, if salaried, make less than $30,000/year?**

15. **What % of your organization's gross revenue goes to salaries.**

Now we would like to ask about the availability of any health insurance program for employees working for your organization at your facility's location.

16. **Does this location have a health insurance program for employees?** (If YES, GO TO Q. 17; If NO, GO TO Q. 22)

17. **Is there an employer contribution to the monthly premium for the employee health insurance program?**

18. **Do you offer a Cafeteria Plan, Health Savings Accounts, or Health Reimbursement Arrangements?** (If YES, GO TO Q. 19; If NO, GO TO Q. 20)

19. **Which one do you offer?**

20. **How much does your organization contribute toward the monthly premium for the employee health insurance program for single coverage of employees?** (RECORD EXACT ANSWER.)

21. **How many of your employees participate in your employee health insurance program?** (RECORD EXACT ANSWER.)

22. **Does this location require employees to have health insurance?** [GO TO Q. 56]

Non-covered Section:

23. **Has your organization discontinued an employee health insurance plan in the past year?** (IF NO, SKIP TO Intro before Q. 35)

24. **What are the primary reasons why your organization discontinued offering a health insurance program?** (RECORD EXACT ANSWER) [or offer reasons and ask which were top three reasons?]

Now I'm going to list a variety of factors that might influence why an organization might not offer health insurance to its employees. Please rate how much you believe each factor applies to your organization's decision in deciding whether to offer health insurance. Rate each factor on a scale of 1, 2, or 3, where 1 means the statement "definitely applies to your organization", 2 means the statement "somewhat applies to your organization", and 3 means the statement "Does not apply to your organization"

		DEFINITELY APPLIES	*SOMEWHAT APPLIES*	*DOES NOT APPLY*
25.	**We can't afford to subsidize health insurance for employees.**	1	2	3
26.	**We are concerned over future health care costs.**	1	2	3
27.	**We don't need to offer health insurance to attract workers.**	1	2	3
28.	**We were denied by a health insurance company**	1	2	3
29.	**The benefits offered to our employees are sufficient**	1	2	3
30.	**Our employees prefer higher salaries to health insurance coverage.**	1	2	3
31.	**Our employee turnover is too high to warrant health insurance coverage**	1	2	3
32.	**Offering insurance is too much of an administrative hassle**	1	2	3
33.	**Health insurance is not our organization's responsibility**	1	2	3
34.	**Our employee base is primarily seasonal/ part-time**	1	2	3
35.	**We cannot get enough take-up from our employees.**	1	2	3

Our state government will be considering ways to help employers in offering health care insurance for employees. I'm going to list several ways in which the state assistance might be structured. Please rate the level of interest you believe your organization would have in each of the five ways. Rate each on a scale of 1 to 5, with 1 being "no interest at all" and 5 being "very interested".

36. **Some type of tax relief ..... 5 ..... 4 ..... 3 ..... 2 ..... 1 .....**

37. **An arrangement for a purchasing alliance, for instance, whereby a group of employers go together to get reduced costs ..... 5 ..... 4 ..... 3 ..... 2 ..... 1 .....**

38. **State subsidies for low-income employees so they can enroll in coverage already offered by employers ..... 5 .....4..... 3 .....2..... 1 .....**

39. **Administrative and technical assistance in establishing an employee health insurance program..... 5 .....4..... 3 .....2..... 1 .....**

40. **Administrative and technical assistance in managing an employee health insurance program once it is in place..... 5 .....4..... 3 .....2..... 1 .....**

41. **What other type of assistance might your company be interested in?** (RECORD EXACT SUGGESTIONS)

Now I'm going to describe two different possible employee health insurance plans. Please rate how interested you believe your organization would be in providing each of these two plans if it were to offer an employee health insurance plan. Rate each possible insurance plan separately on a scale of 1 to 5, with 1 being "not interested at all" and 5 being "very interested".

42. **I am going to describe several sorts of health insurance to you, so you will know what we mean by the terms. Catastrophic health insurance means a plan that is not intended to cover the routine costs of health care. It has a high deductible ($3000 to $6000, depending on income) and high total out-of-pocket costs ($7500 to $15000, depending on income). It covers some preventive services. On a scale of 1 to 5, how interested do you think your organization would be in providing a catastrophic health insurance plan?**

43. **Comprehensive health insurance covers most of a person's health care needs, including the costs of vaccinations, drugs, and routine office visits. It has a lower deductible or co-payment ($600 or $1500, depending on income) and broader coverage, including things like family planning, hospital outpatient procedures, etc. On a scale of 1 to 5, how interested do you think your organization would be in providing a comprehensive health insurance plan?**

Given that your employees are important to you and that employees tend to stay where they feel valued and have benefits, we'd like to explore in more detail how we might help with some of the obstacles that prevent you from offering health insurance coverage to your employees. We recognize that health insurance costs a lot and we'd also like to ask you about some of the other obstacles.

Reasons for Administrative Hassle:

Now I'm going to list a variety of issues that might be an administrative burden or cause difficulty in establishing employee health insurance coverage for an organization. Please rate how much impact you believe each issue has had on your organization's decision to not offer health insurance. Rate each issue on a scale of 1 to 5, with 1 being "no impact at all" and 5 being "great impact".

44. **On a scale of 1 to 5, how much impact has there been due to:**
not knowing how to set up a health insurance program

45. **On a scale of 1 to 5, how much impact has there been due to:**
the information a health insurance company might want before giving a bid

46. **On a scale of 1 to 5, how much impact has there been due to:**
not knowing how to find other health insurance options or pools

47. **On a scale of 1 to 5, how much impact has there been due to:**
the lack of a sufficient knowledge to discuss or negotiate issues with a health insurance company

48. **On a scale of 1 to 5, how much impact has there been due to:**
difficulty in getting a payroll system to accommodate payments to a health insurance company

49. **On a scale of 1 to 5, how much impact has there been due to:**
a lack of understanding about what choices can be given to employees

50. **What other issue has been an administrative burden or cause difficulty in establishing employee health insurance coverage for an organization?** (RECORD EXACT ANSWER)

51. **On a scale of 1 to 5, how likely is your organization to consider offering a health insurance plan to your employees in the near future, where 5 is very likely, and 1 is very unlikely.**

52. **Would your organization be willing to contribute up to $300 per month per employee in order to have an employee health insurance plan?** (IF YES, GO TO Q. 53)

53. **How much would your organization be willing to pay MONTHLY in total premiums per employee for employee health insurance?**

54. **How much would your organization be willing to contribute monthly towards employee health insurance premiums for the removal of the administrative hassle?**

55. **Are you aware of the various options available throughout the state such as HIA or Chamber of Commerce plans?**

56. The state may conduct focus groups in the future to learn more from organizations about the business needs such organizations may have. Would you be willing to participate in such discussions?

57. Then we just need to confirm your contact information.

[State the current contact information for the person being interviewed]

58. Is all of this information correct? [IF NO, COLLECT CORRECT INFORMATION AND RECORD IT]

[Thank person being interviewed for his/her time and assistance. End of survey.]

III) <u>White Paper on the NM State Un-insured:</u>

Uninsurance in New Mexico And Options to Provide Coverage: A Synopsis

I. Introduction

New Mexico's rate of health care uninusurance runs high, with more than one in five of the state's population, or 21.1 percent, lacking any type of health insurance coverage. This figure, which represents nearly 400,000 New Mexicans, is substantially above the national average of 14 percent and ranks New Mexico second in the nation for the rate of uninsurance.

Uninsurance as a National Issue

Nationally, health insurance coverage has become a complex, costly and demanding concern. Budgetary constraints are being felt on both state and federal levels, particularly with increasing competition for funding among important programs such as education and health care, rising inflation trends, and a growing national population. Most states have come to realize that, as important financiers of health care for their citizens, they must adjust their entitlement programs to contain costs and uncontrolled growth wherever possible. Serious discussions about how to amend existing public programs and about the roles and responsibilities of the states and the federal government have increased apprehension and program oversight. As states consider the implications of these changes, they must weigh the financial burden of health care against the need for long-term savings.

Adding to these budgetary concerns, emerging research indicates that the nation's uninsured population has a significant economic impact on the overall economy. Evidence shows that uninsured individuals generally lead a poorer quality of life than those who have coverage, that employers are affected by reduced productivity levels, and that the burden on the health care system due to unpaid emergency and urgent care is financially overwhelming. Taxpayers pay some of these costs through federal, state and local government programs that support public health clinics and programs such as Medicaid; however, there is increasing momentum among taxpayers to curb the growth in health care expenses with coverage options that are largely cost-neutral.

New Mexico's Response

New Mexico has a history of efforts geared toward increasing health care coverage and access for its residents, but has yet to integrate these endeavors with more inclusive, affordable and attainable options aimed at reaching all of the state's residents. The health insurance gap has been narrowed incrementally by initiatives that include the New Mexico Medical Insurance Pool and the New Mexico Health Insurance Alliance. In addition, the state applied for and received planning and implementation funding through the Robert Wood Johnson Foundation's State Coverage Initiatives Program, which enabled government agencies, the Legislature, and a number of public and private health care stakeholders to work together to develop and submit a Health Insurance Flexibility and Accountability Waiver to cover uninsured New Mexico adults via an employer buy-in mechanism.

While innovative, the structures for these programs are also limited in scope. The state has needed funding to generate accurate data about its medically uninsured population and subpopulations, and to obtain the requisite cost analyses of inclusive reform options. The shortcoming of prior efforts to bring about comprehensive change has been the impetus for multiple recent legislative and policy changes, and the primary driver behind new proposed initiatives.

HRSA State Planning Grant: An Opportunity

In October 2003, New Mexico received a $905,000 grant from the federal Health Resources and Services Administration (HRSA) to focus on the state's uninsured population in two primary ways: first, through an extensive survey, or set of surveys, that will help to formulate true and comprehensive data about New Mexico's uninsured, their barriers to health care coverage, and the types of coverage that would meet their needs; and second, through extensive financial and actuarial impact analyses of multiple health coverage options upon not only the uninsured, but also on the state's economic, business, and health care networks.

The HRSA project highlights critical requisites for data collection that will prove key to determining the feasibility, compatibility and affordability of a number of proposed reform options. It will also necessitate extensive financial data and cost analyses of the reform options under consideration that will empower the legislature to make informed decisions concerning benefits, eligibility levels, effective care delivery, available resources, potential funding streams, and overall compatibility. Given the state's current economic climate, the proposed level of actuarial analysis will prove critical for achieving effective health care change in New Mexico. Together, the survey data and cost analyses will inform the structure and type of actions that will be taken to reduce the number of uninsured in the state.

The HRSA State Planning Grant Program is designed to provide funding for states to research and develop effective strategies that aim to increase the availability of health care coverage for all citizens, with a specific focus on the uninsured. Through the HRSA program, New Mexico will have the resources available to analyze and further describe the uninsured population and health coverage options in a way that will support the involvement of community and stakeholder groups. The HRSA project will facilitate the collection and evaluation of these appropriate data, and will enable New Mexico to move forward toward creating policy and legislative opportunities for meaningful health care change. It is important to note that the conditions of the HRSA project stipulate that funding cannot be used to finance studies of long-term care services, access concerns, or issues relating specifically to major specialty care.

II. Data on New Mexico's Uninsured

The most recent data collected on New Mexico's uninsured indicate that more than one in five New Mexicans, or 21.1 percent, did not have health insurance of any kind during 2002. That percentage is up slightly from 2001, when the rate of uninsured New Mexicans was estimated at 20.7 percent. The U.S. Census Bureau estimates that the state's total population exceeded 1.87 million in 2003. If the percentage of uninsured holds at 21.1 percent for 2003, then New

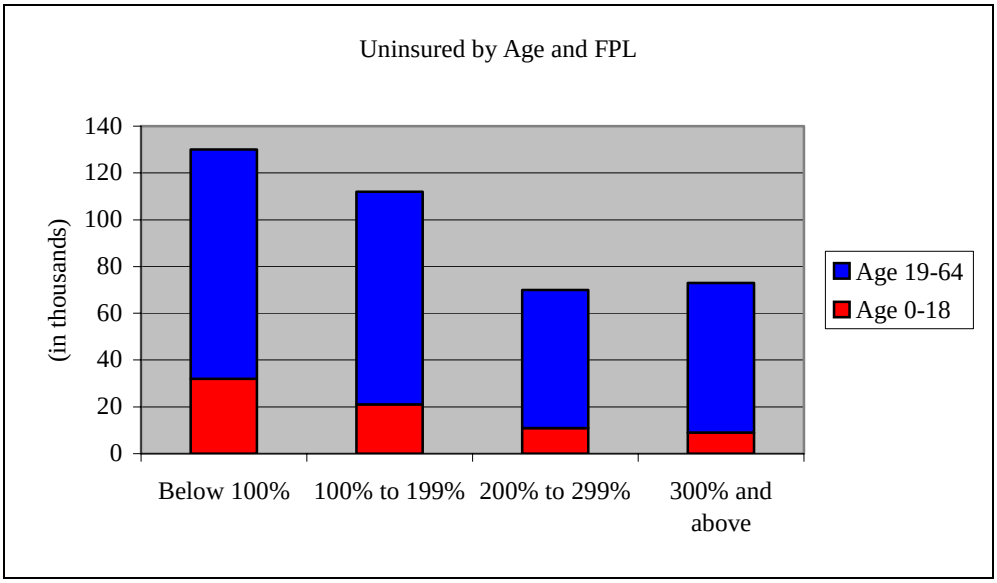
Mexico's uninsured population will exceed 396,000. (This percentage is based on individuals who did not have any type of health care coverage during the entire year of 2003.)

Who Are the Uninsured?

Currently, there are no conclusive data that describe the specific demographics of New Mexico's uninsured population and subpopulations. Varying studies have been conducted on both national and state levels, but questions remain for a number of reasons. The definitions of who is and who is not insured, of what comprises health "insurance," and of how long an individual can be without health insurance before being counted as uninsured, can vary considerably from survey to survey. The HRSA project, which will endeavor to address some of the decisive weaknesses in prior data, characterizes the uninsured as individuals without health care coverage for a full calendar year.

What We Can Agree On

Anecdotally, it is agreed that individuals comprising "the uninsured" do not reflect a homogeneous group. Although nearly all of those without health insurance are younger than 65 years old, the uninsured population is made up of children and adults across the income spectrum:



As this graph shows, the largest number of uninsured (approximately 130,000), have incomes below 100 percent of the federal poverty level (FPL); however, a substantial number (approximately 73,000) have incomes at 300 percent FPL and above. It is also clear that children comprise a smaller proportion of the uninsured in each of the income categories.

What We Don't Know About the Uninsured

Although a large body of data exits regarding the uninsured, questions that are key to crafting appropriate policy responses remain unanswered. The HRSA funding will allow the State to answer a variety of questions about the uninsured, such as:

- What is the demographic breakdown of the uninsured within FPLs?
- What is their relative attachment to the labor force?

- How many could afford (by their own definition) some type of health insurance but don't take it up and why don't they purchase it?
- How many uninsured individuals (by FPL) do not take up their employer-sponsored health insurance and why don't they sign up?
- How many are eligible for Medicaid but are not enrolled and why don't they apply?
- How many receive health care from a number of service providers, such as IHS, the Veterans Administration, primary care community clinics and university clinics (i.e., what is the level of overlap among these providers and their service populations)?
- How many veterans, accessing care through the Veterans Administration, are satisfied with their health care?
- How many Native Americans, accessing care through the Indian Health Service, are satisfied with their health care?

III. Why are People Uninsured?

Gaps in private and public insurance leave many New Mexicans without access to health care coverage. There are multiple reasons why 21.1% of New Mexicans lack health insurance and those reasons are likely to be the most effective drivers for any potential solutions to this problem. The closer we come to identifying the demographics of this population and what prevents them from having coverage, the better we will be able to inform the public-private partnerships on how to encapsulate them into a more secure health care system. One thing we can assume is, it is unlikely that any single initiative will provide the magic bullet, but instead multiple steps must be undertaken in conjunction with both the private and public sectors.

According to a telephone survey of New Mexico households that was conducted by the Health Policy Commission (HPC), in conjunction with the University of New Mexico (UNM) Institute of Public Policy in 2002, there are multiple reasons that uninsured adults lack health insurance, which include:

- An inability to afford coverage (42.3 percent);
- A loss or change in employment status (15.3 percent);
- Not offered insurance through an employer (13.6 percent); and
- An inability to obtain coverage (8 percent).

The largest factor affecting the decision of uninsured respondents to obtain health care coverage was cost, with 64 percent of those surveyed saying that they would obtain coverage if they could afford it and another 16 percent indicating that they would obtain it if it were available. In addition, the HPC/UNM survey indicates that of New Mexico children without health insurance in 2001, over one-third did not receive any type of health care service during that year.

Thus, there seem to be three principal reasons that can be easily identified, as to why people are uninsured:

1) They feel they cannot afford health insurance, either as an individual or within their workplace.
2) Employers do not offer it; and
3) People do not feel they need or want it.

The Center for Studying Health System Change reports health care spending rose 9.6 percent in 2002. The Kaiser/HRET Employer Health Benefit Survey found that premiums for employer-sponsored coverage increased 13.9 percent between 2002 and 2003. In 2003, premiums increased over six times the overall rate of inflation and over four times the average wage increases for non-supervisory workers. It is not surprising, therefore that the most commonly cited reason for why individuals do not take up or buy coverage or why employers do not offer coverage, is cost.

Many workers do not have access to employment-based insurance because their employer does not offer it. Employers face potentially steep insurance costs in the small group markets and costs vary notably, depending on employees' medical histories and the state of residence. Small employers are much less likely to offer coverage and when they do offer it, premiums tend to be higher, with fewer benefits and higher deductibles. The Robert Wood Johnson Foundation reported in 2003, that among small employers who do not offer coverage, three out of four say premiums are too expensive while a third say they believe their employees can find insurance elsewhere. Many small employers feel that the administrative time is too great and time consuming to get involved in or they are not informed about their options. For example, in the HPC Employer Survey of 2000, 27 percent of the eligible employers not offering insurance were not aware of the existence of the New Mexico Health Insurance Alliance as an option.

Finally, There are some New Mexicans who do not perceive uninsurance as a problem – as indicated by the HPC/UNM Household Survey, as many as half of respondents who lack a usual health care source believe that they are healthy enough not to require a regular doctor.

IV. Where Do New Mexicans get their Health Care?

In 2002, New Mexico's total population was approximately 1.85 million. Just over half of the population, or 56.9 percent, was covered by private health insurance and one-third, or approximately 33.2 percent, reported having coverage through a government program. These categories are not mutually exclusive, as an individual may be covered both by private health insurance and Medicare or Medicaid at the same time or during different parts of a year.

Where Do the Uninsured Receive Care?

Based on the figures collected by the 2002 HPC/UNM Household Survey, 16.5 percent of the survey respondents did not have a usual place, or relied on an emergency room, to obtain health care in 2001. The services that respondents identified as most needed were prescription medicines, routine preventive care, dental care, and counseling. In addition, a proportionately small percentage of the survey respondents indicated that they receive care through the Indian Health Service (IHS), the Military or Veteran's Health Service, or other health care programs.

Of New Mexico's 33 counties, 30 collect and expend gross receipt tax funds for indigent health care. New Mexicans without resources who require medically necessary care often rely on charity care from hospitals, clinics and private providers. Residents unable to pay the costs of some or all of their medical care without undue hardship may qualify as medically indigent.

Twenty-six New Mexico counties are considered to be full medically underserved counties (MUAs) – a federal designation based on population and health status factors – and six are determined to be partial MUAs. Primary care services are available at 132 delivery sites across the state, which are comprised of 90 medical sites, 29 dental sites, and 13 school-based sites. These primary care facilities are located in 95 communities, 80 percent of which are in rural or frontier areas. It is estimated that, of the approximately 260,000 patients seen at these sites each year, 44 percent – or about 115,000 – are uninsured; approximately 78 percent are below 200 percent FPL; and an estimated one-third are pediatric or adolescent patients.

The U.S. Department of Health and Human Services ranks New Mexico's primary care clinics eleventh in the nation for the rate of penetration in caring for the underserved. Roughly one-quarter of New Mexico's uninsured residents are able to access not only comprehensive primary care through these clinics, but also referrals to specialists, discounted pharmaceuticals, and some dental and mental health care. Additionally, the clinics spend a large proportion of their limited human and fiscal resources in outreach, education, case management, and disease prevention.

New Mexico Voices for Children (NM Voices) analyzed the HPC/UNM survey data and found that 38 percent of uninsured adults in New Mexico believe that they have adequate access to healthcare. For their purposes, the term "adequate" refers to individuals who:

- Have a usual source of medical care that is not an emergency room; or
- Report having no unmet needs for preventive, specialty or dental care; prescription drugs; emergency room care; hospitalization; and medical procedures.

NM Voices also lists where the uninsured obtain care according to the study. Based on the chart below, primary care clinics and community health centers play a central role in providing care to the uninsured in New Mexico

Usual Source of Care for Uninsured New Mexicans With No Unmet Healthcare Needs*	
Doctor's office	47
Primary care clinic or community health center	28
HMO-run clinic	3
Urgent care center	5
Hospital outpatient clinic	3
IHS hospital or clinic	6
School clinic	5
Some other place	3
Total	**100**

*Individuals who report having no need for health care are excluded from this analysis.

The Problems of Uninsurance

A study prepared by Families USA and released by the Robert Wood Johnson Foundation in March 2003, titled "Going Without Health Insurance," outlines some of the most alarming health

indicators that are evident as a result of uninsurance. According to the study, uninsured adults are:

- Four times more likely to use the emergency room as a regular place of care than insured adults;
- A third less likely than those with insurance to have had a check-up in the past year;
- Likely to be diagnosed with a disease at a later stage and tend to receive a smaller amount of therapeutic care; and
- More likely to put off or delay seeking medical care due to cost than individuals with insurance.

In addition to the negative impact on the health of an individual, these factors drive up the cost of health care overall. Emergency room visits are more expensive than a doctor's office appointment and belated treatment generally costs more than early intervention or preventive care.

V. Policy Directions

Under the HRSA project, New Mexico hopes to design a system that will provide increased access to quality health care coverage for all New Mexicans in a way that is both manageable and affordable. The project will work to identify and cultivate the optimal partnering structure between the federal government, the State of New Mexico's legislative and executive branches, local governments, and stakeholder groups, so that each entity will be empowered to make decisions addressing the health insurance needs of New Mexicans while ensuring the viability of the private insurance market and public safety-net programs. The fundamental project goal is to address the multiple health care needs of all New Mexicans through a combination of public and private cooperation, with the state and federal government providing strong leadership and oversight roles.

VI. Options and Initiatives for Increasing Coverage

Previous Efforts in New Mexico to Cover the Uninsured

While it is true that the problem of uninsurance has proven to be a sizeable stumbling block in New Mexico, there have been multiple initiatives launched by both public and private organizations over the past number of years aimed at narrowing the gaps and disparities in health care coverage in the state and at gathering momentum and support for resolving this complex problem. These initiatives include:

- *SCHIP Program Medicaid Section 1115 Waiver*
  New Mexico has placed a heavy emphasis on expanding coverage to children through the State Children's Health Insurance Program (SCHIP). SCHIP was established by the federal government in 1997, and specifies that children living in families with incomes at or below 200 percent FPL are eligible for coverage. To expand this coverage level further, New Mexico applied for and received a Section 1115 Waiver that allowed the state's SCHIP program to extend to children in families with incomes up to 235 percent

of the federal poverty level (FPL), making New Mexico's program one of the nation's most expansive.

- *HIFA Section 1115 Waiver*
  The Centers for Medicare and Medicaid Services (CMS) have enhanced the flexibility of states to increase coverage in Medicaid and SCHIP through the Health Insurance Flexibility and Accountability (HIFA) waiver initiative. HIFA allows states to finance coverage expansions by reducing the cost of public coverage in ways not otherwise permitted, such as changing benefits and increasing cost-sharing for certain groups. The primary goal of the HIFA initiative is to encourage new state-level approaches to Medicaid that will increase the number of individuals with health insurance coverage, using available resources, to populations with incomes below 200 percent FPL.

  New Mexico's State Coverage Initiative (SCI) program, made possible through an HIFA waiver, introduces coverage to childless adults and parents of Medicaid and SCHIP children up to 200 percent FPL. The project estimates that up to 40,000 currently uninsured individuals may be covered under SCI. The state expects to use unspent SCHIP funds to pay for the coverage expansion.

  SCI is unique and has gained national attention because it differs from traditional models that coordinate public and private resources in the form of premium assistance for existing employer-sponsored insurance plans so that low-income uninsured individuals may purchase insurance. By contrast, SCI allows the State of New Mexico to contract with managed care organizations to provide an entirely new insurance product that employers will be able to offer to their low-income workers.

- *Section 1931 Waiver*
  Section 1931 waivers require states to cover at least those parents with incomes below the 1996 Aid to Families with Dependent Children (AFDC) income thresholds, regardless of whether they receive cash assistance. Section 1931 waivers also allow states to cover individuals with higher incomes. Federal law requires states to disregard at least $90 per month in earned income when assessing Medicaid eligibility; however, Section 1931 waivers allow states to increase this income disregards, effectively raising the income limits for Medicaid eligibility. New Mexico's Section 1931 waiver has allowed the state to raise the income disregards to $120 and one-third of remaining earnings.

- *State-Only High Risk Pool*
  The New Mexico Medical Insurance Pool (NMMIP) is a state-run program designed for individuals with high-risk health conditions who cannot otherwise obtain coverage or whose medical costs preclude them from obtaining coverage at affordable prices in the private market. One feature unique to NMMIP is the provision that qualifying individuals with incomes up to 200 percent FPL may receive a subsidy of up to 25 percent of the premium. Nonetheless, the NMMIP remains a limited means of attaining affordable health care because its current administrative structures and funding streams are insufficient for substantial growth of the program.

- *State-Only Tax Incentives*
  A tax incentive is a credit or deduction that reduces the cost of purchasing health insurance through a reduction in an individual or employer's tax burden. New Mexico's current tax structure specifically targets individuals with deductions that include:

  - For surviving spouses and married individuals, 25 percent of medical care expenses, including their premium if their income is less than $30,000; 15 percent for those with incomes between $30,000 and $70,000; and 10 percent for those with incomes greater than $70,000;
  - For individuals or married persons who file separately, 25 percent of medical care expenses, including their premium if their income is less than $15,000; 15 percent for those with incomes between $15,000 and $35,000; and 10 percent for those with incomes greater than $35,000; and
  - For heads of household, 25 percent of medical care expenses, including their premium if their income is less than $20,000; 15 percent if their income is between $20,000 and $50,000; and 10 percent for those with incomes greater than $50,000.

- *Purchasing Alliances*
  Purchasing alliances seek to achieve cost savings by combining the purchasing power of included entities to negotiate rates lower than each could otherwise negotiate from an insurance company or MCO. The New Mexico Health Insurance Alliance (NMHIA) was created in 1994 by the State Legislature and is an alliance of independent health insurers who have agreed to offer similar health plans to companies with 50 or fewer eligible employees, including the self-employed and individuals who have lost group health coverage. The NMHIA is subsidized with a premium tax on all health insurance carriers in the state. Approximately 5,000 persons are currently covered statewide.

Coverage Initiatives of Other States

As New Mexico works to develop the proposals that will be analyzed under the work of the HRSA grant, it will continue to examine actions taken by other states to address their uninsured populations. Some of the initiatives that will be considered are:

- *Tax Credits*
  Many policymakers favor expanding coverage by creating tax benefits that provide financial incentives for individuals or employers to purchase health insurance. Some of these options include creating a refundable tax credit for all workers, creating tax credits for small employers, and expanding tax benefits for the self-employed. Proponents of tax benefit approaches argue that they offer consumers greater choice and control over their health insurance arrangements, and that they address equity and efficiency problems in current law regarding tax benefits.

  A primary concern with the tax credit approach is that, depending on the size of the credit, it might not help lower-income families who cannot afford to purchase insurance before the subsidy commences; therefore, credits are unlikely to make a significant difference for those who do not now purchase insurance. The Academy for Health

Services Research and Health Policy reports that "voluntary enrollment and financial incentives to purchase individual insurance plans, while likely to decrease the number of uninsured, will nonetheless increase the disparity in purchasing practices between disadvantaged minorities and others." New Mexico will consider these potential disadvantages to determine whether tax credits might be tailored to work for employers since a New Mexico tax credit exists for all individuals in the state.

- *Premium Assistance*

  Some states have proposed to expand coverage by using public funds to subsidize the purchase of employer-sponsored insurance. Such an approach could assist low-income individuals who are already offered coverage by their employer, but who cannot afford to pay their share of the premium. Proponents of premium assistance, or "buy-in," programs argue that the combination of public funds with employer contributions lessens the strain on both public and private payers and potentially allows funds to cover more people. Building on employer coverage could also help increase coverage by avoiding the stigma associated with enrollment in public programs.

  Under current law, states can create premium assistance programs through the Medicaid Health Insurance Premium Payment (HIPP) program or through SCHIP. The cost of the buy-in must not be higher than what the state would have paid to enroll the individual in the public program. Establishment of premium assistance programs to date has been limited because states have found this cost-effectiveness test difficult to demonstrate and have had difficulty identifying eligible participants.

- *Employer/Employee Incentives*

  Employers are facing increasing health care costs nationwide, with most experiencing an increase in insurance premiums. In response, many have shifted a greater proportion of costs to their employees in the form of higher premium contributions and deductibles, co-payments, and benefit limitations. This raises concern that employees will forgo needed medical care rather than pay higher out-of-pocket costs. In addition, unaffordable cost sharing might prompt a greater number of workers to drop coverage altogether, adding to the uninsured population.

  Public policy initiatives propose ways to expand coverage to working families through employer and employee incentives. Differing approaches for employer incentives include tax credits, employer requirements to offer or contribute health insurance, public insurance expansion, collaboratives, and premium assistance. Employee incentives include tax credits, public insurance expansion and collaboratives. Most options would require an administrative role for employers and a financial commitment that would, for example, require employers to provide health care insurance for their employees.

  A survey done by the Commonwealth Fund in March 2004 found that most employers believe they have not only a responsibility to assume a financial role in expanding coverage, but also a responsibility to provide coverage to their employees. According to the survey, most employers also believe that their ability to provide health insurance enhances their compensation package, employee recruitment levels, morale, and

productivity; however, among employers with larger proportions of low-wage workers, the trend is to offer less health insurance and fewer other benefits such as paid sick leave.

- *Purchasing Collaboratives*
  Group purchasing arrangements (GPAs) are designed to combine the resources of businesses and, sometimes, self-employed individuals, to secure health benefits for their employees and/or themselves. GPAs can be privately managed or run by a state agency. Some can be established only through state legislation, while associations of employers and individuals form others without legislative action. GPAs may elect to offer health coverage to small businesses, large employers, self-employed individuals, or any combination of these entities. They may be fully insured and purchase health insurance from insurers; self-insured and pay medical claims directly; for-profit; or not-for-profit. Any GPA can perform a variety of functions, including negotiating rates and benefits with insurers, marketing their products, enrolling new members, performing billing functions, paying premiums, and assisting with claims disputes.

  One strategy that has been used by a number of other states is to establish quasi-governmental purchasing pools, in which a state agency is responsible for managing a public-private arrangement. The state agency can go as far as to make decisions about covered benefits, exclusions, limitations, co-pays, and coinsurance; and can negotiate premiums with insurers, carry out product marketing, and perform enrollment functions.

  Most purchasing collaboratives are private entities that operate independently from insurance companies. Self-insured collaboratives operate like insurers in that they set rates, design benefit options, perform underwriting, market products, enroll new employees and dependents, collect premiums, and process claims. Some self-insured groups experience added pressure because they must remain solvent by collecting adequate premiums and maintaining sufficient reserves to cover any revenue shortfall.

  Public-private partnerships can limit an insurer's financial exposure in cases of enrollees with serious medical conditions, and these arrangements encourage voluntary participation by insurers more successfully. In general, public-private partnerships do not experience problems such as administrative insolvency or fraud, which sometimes plague private collaboratives; however, they may experience fiscal loss and run the risk of necessitating state funding in addition to premiums.

Options for Addressing Different Uninsured Populations

In summary, previous initiatives established in New Mexico targeted individuals and the public sector. Future policy options and the direction of other states now focus on building bridges between the public and private sectors with system designs that provide increased access through partnering between the federal, state, local and stakeholder resources. The current economic and political climate necessitates cost sharing, strong leadership, and creativity, but also collective responsibility and motivation to see that New Mexico as a whole prioritizes quality health care coverage for everyone.

Assuming that multiple initiatives are necessary for the complex make-up of the New Mexico uninsured and that numerous approaches can help support differing subgroups of this population. The HRSA Project is framing the possible policy initiatives within Federal Poverty Level (FPL) Guidelines, it is believed that previous initiatives sponsor and are specific to certain FPL levels, while new initiatives can begin to fill in some of the gaps where FPL levels are either not sustained or assisted properly. The outline below demonstrates the monetary amounts reflected in the FPL levels and starts to place programs within their respective FPL categories with the intention of using this as a guideline for discussion and future course of action.

Less than 100% of the Federal Poverty Level (FPL) – up to $15,670 for a family of three

- SCHIP – for children.
- HIFA 1115 waiver for childless adults and parents of children in public programs.
- Individual tax credit – 25% of medical care expenses and premium.
- NMMIP – for high-risk individuals with a subsidy of up to 25% of the premium.

100% - 199% FPL – from $15,670 up to $31,340 for a family of three

- SCHIP – for children.
- HIFA 1115 waiver for childless adults and parents of children in public programs.
- Individual tax credit – 15% to 25% of medical care expenses and premium.
- NMMIP – for high-risk individuals with a subsidy of up to 25% of the premium.

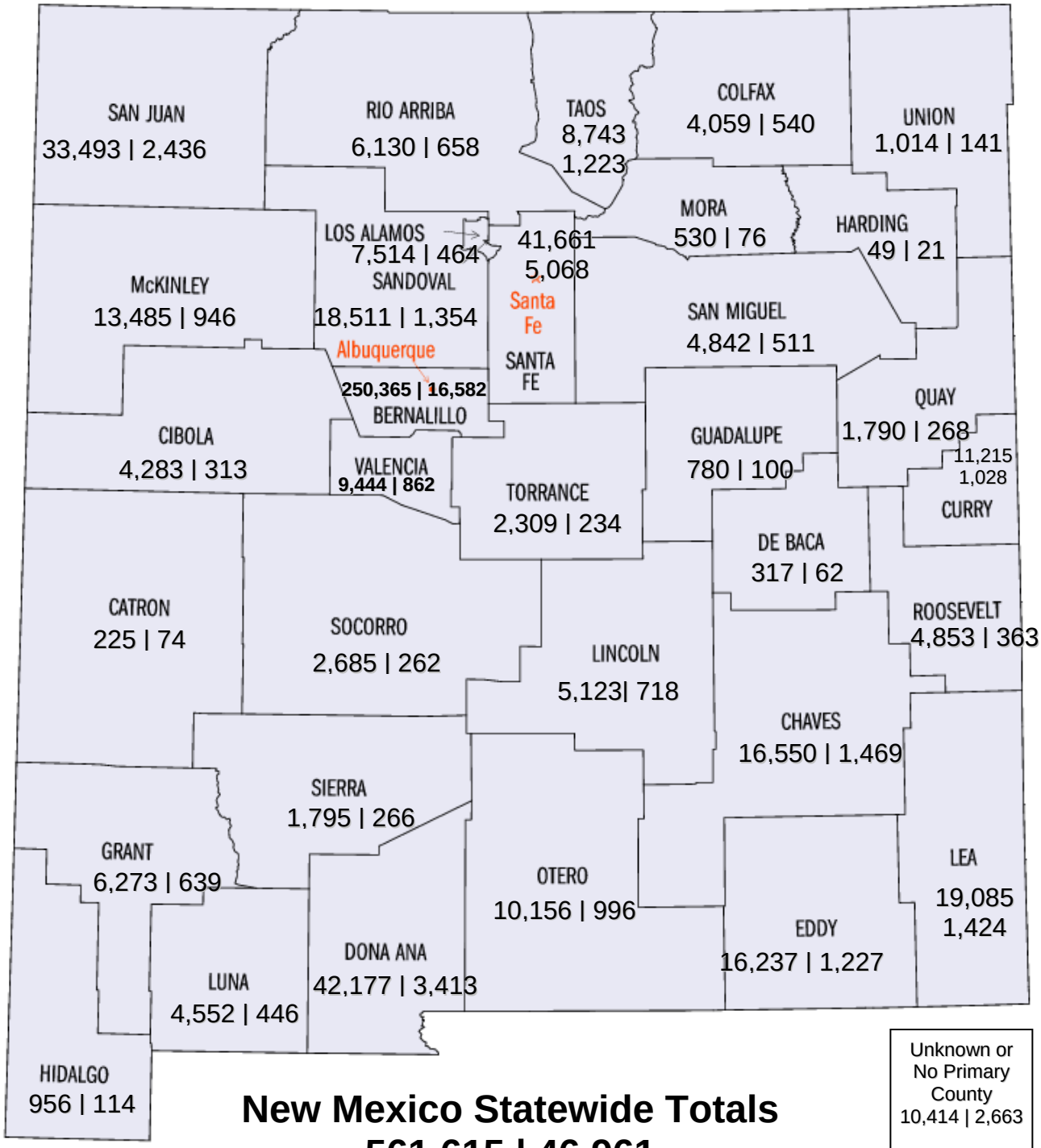
200% - 299% FPL - from $31,340 up to $47,010 for a family of three

- SCHIP – up to 235% FPL for children.
- Individual tax credit – 10 to 15% of medical care expenses and premium.
- NMMIP – for high-risk individuals.

300% FPL and above- $47,010 and above for a family of three

- Individual tax credit – 10% of medical care expenses and premium.
- NMMIP – for high-risk individuals.

Number of Workers | Number of Establishments By County



New Mexico Statewide Totals
561,615 | 46,961

Source: "Facts and Figures – First Quarter 2003" NM DOL Economic Research and Analysis Bureau
Note: Data pertains to private sector employees covered under unemployment insurance law; government employees are not included.