



NEW MEXICO OFFICE OF HEALTH CARE REFORM
2nd Quarterly Report Project Summary for CCIIO
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The Center for Consumer Information and Insurance Oversight

**State Planning and Establishment Grants for the
Affordable Care Act's Exchanges**

2nd Quarter Report

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State: New Mexico

Project Title: Health Exchange Planning Grant

Project Quarter Reporting Period: Quarter 2 (01/01/2011 – 03/31/2011)

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Project Summary New Mexico Office of Health Care Reform (NM OHCR)

The 2nd Quarter of the Health Exchange Planning Grant happened to coincide with the transition from one administration to another. On January 1, 2011, Susana Martinez was sworn in as New Mexico's 27th Governor. Also, January 18, 2011 marked the start of the New Mexico (NM) State Legislative Session. This session continued through March 19, 2011.

During the Legislative Session, a number of Health Care Reform (HCR) related bills passed. The Governor vetoed SB 38/370, which would have established a health insurance exchange for New Mexico. However, Governor Martinez stated in Senate Executive Message No. 53 that she is in "general in support of the creation of a framework to establish a state insurance Exchange".

The NM OHCR has been informed that Governor Martinez will be appointing a NM OHCR Director by May, 2011. In the interim, the OHCR continues to work on the requirements of the Health Exchange Planning Grant. During the 2nd Quarter of the Health Exchange Planning Grant, the OHCR has fully executed 15 contracts. These contractors are facilitating, collecting, analyzing and reporting public input from constituents across New Mexico. This data will be used to inform the State's planners on the design of an health insurance Exchange that best fits New Mexico's population and that will comply with the provisions of PPACA.

HCR related bills passed during the New Mexico Legislative 2011 Regular Session:

- **HJM40** House Joint Memorial Bill 40 requests the Tribes, Nations and Pueblos, Off-Reservation Health Commission and other Indian health stakeholders to work collaboratively to plan and capitalize on the reform of health care for American Indians in New Mexico.
- **SJM 1** Health Care Reform Work-group. Continuation of the health care reform work group that was established last year to assist the state in preparing for and implementing the provisions of federal health care reform.
- **SB 14** Health Care Work Force Data Collection. Collects, analyzes and reports data regarding the state's health care work force and collaborates with the National Center for Health Care Workforce Analysis pursuant to Section 5103 of the federal Patient Protection and Affordable Care Act.
- **SB 89** Allows for the creation of health insurance purchasing cooperatives among employers. The bill would allow both large and small (or a combination of the two) employers to form health insurance cooperatives. These cooperatives would be regulated by the Superintendent of Insurance.

- **SB 208** to improve the process for review of health insurance rate increases before they are approved.

Bills vetoed during the New Mexico Legislative 2011 Regular Session:

- **SB 38/SB 370** Health Insurance Exchange. This bill would have established a health insurance exchange program in New Mexico to fulfill the requirements of federal health care reform.

Q2 Report New Mexico Office of Health Care Reform

Core Area	Milestone	Summary of Activities 1 st and Q2
Background Research	<p>Conduct analysis of State insurance market and develop recommendations for Exchange structure based on this analysis. Analysis must include:</p> <ul style="list-style-type: none"> ● Number of uninsured in the State ● Size of the current individual and small group markets ● Number of carriers in each market and market shares for the ten largest carriers 	<p>Q2 Completed Contact and Ongoing Analysis: Executed Insurance Market Contract: Planning Grant Contractor, Resources for Change, is conducting an analysis of the insurance market in NM that will include:</p> <ul style="list-style-type: none"> ● Size of the current individual and small group markets ● Number of carriers in each market and market shares for the ten largest carriers
		<p>Q2 Ongoing: NM’s Public Regulation Commission regulates health care insurers in NM and has the authority to request additional information that may assist in reviewing current plan types and cost. Resources for Change will communicate with PRC to obtain this information in order to conduct an analysis to inform the HIE structure.</p> <p>There are four domestic health care insurance carriers in New Mexico with six foreign companies that currently offer plans in New Mexico (one domestic only offers Medicaid).</p> <p>38 HMO 787,000 – Employer-based coverage (34.7% offered by small group) 74,400 – Individual coverage 449,000 – uninsured</p>
		<p>Q2 Completed Contract and Ongoing Survey: Executed Uninsured Contract: Planning Grant Contractor, Research and Polling Inc., is conducting a survey of the uninsured in New Mexico.</p>
		<p>Q2 Completed GSA and Ongoing: Entered into a Governmental Services Agreement with University of Maryland, Baltimore County, Hilltop Institute to create a financial modeling tool and report to analyze demographics and fiscal impact in NM of various Exchange models. Negotiated and signed contract.</p>
Stakeholder Consultation	<ul style="list-style-type: none"> ● Establish a stakeholder advisory committee with the support of the Governor and State legislature to solicit input on Exchange design and function by stakeholder groups. ● Complete stakeholder meetings that cover all regions of the State. 	<p>Q1 Completed Establishment & Ongoing: Stakeholder advisory committees have been established in the following areas:</p> <ul style="list-style-type: none"> ○ Consumer ○ Provider ○ Insurance ○ Medicaid ○ Information Technology ○ Native American <p>Q2 Progress: Consumer and Insurer Stakeholder meetings held monthly</p>

Q2 Report New Mexico Office of Health Care Reform

Core Area	Milestone	Summary of Activities 1 st and Q2
	<ul style="list-style-type: none"> **In addition to general stakeholder consultation, establish, implement, and document a process for consultation with federally recognized Indian Tribal governments to solicit their input on the establishment and ongoing operation of the Exchange. 	<p>meetings. Other Committees opted not to meet during the NM Legislative Session. Meetings are scheduled to resume in April.</p> <p>Q2 Ongoing: Meetings are being conducted by OHCR Planning Grant Contractors to gather, facilitate, collect, analysis and report public input to inform the state planners on the development of a health insurance Exchange in NM.</p> <p>Q1: NM has a State Tribal Collaboration Act SB196. A tribal state Health Care Reform work group was formed to address PPACA and a NM HIE. A State Tribal Consultation was held and a tribal work group formed.</p> <p>Q2: There have been no consultations during the 2nd Quarter due to tribal elections, new tribal administrative appointments and Legislative Session. New tribal leadership will make new appointments to the State Tribal Health Care Reform work group in April.</p>
Legislative/Regulatory Action/Governance	<ul style="list-style-type: none"> Draft enabling legislation, implementing regulations, or other mechanism that provides the legal authority to establish and operate an Exchange that complies with Federal requirements. Introduce Exchange enabling legislation. Hold public hearings on Exchange enabling legislation. 	<p>Completed in Q1</p> <p>Completed in Q2: Three Bills were drafted and introduced in the 2011NM Legislative Session, HB33, SB38 and SB370. SB38 and SB370 were combined and passed as SB38. However, the bill was vetoed by the Governor. Awaiting further direction from the Governor on the establishment and governance structure of an Exchange.</p>
Governance	<ul style="list-style-type: none"> **Develop a governance model by working with stakeholders to answer key questions about the governance structure of the Exchange: <ol style="list-style-type: none"> Will the State pursue a Regional Exchg? Will the Exchange be housed in a State agency, quasi-gov agency, or non-profit? How will the governing body be structured? Determine standards for the Exchange governing body that will ensure: <ol style="list-style-type: none"> Public accountability Transparency Prevention of conflict of interest 	<p>Q1: In April 2010 Executive Order 2010-012 established the Health Care Reform Leadership Team. The Leadership Team consisted of 12 Cabinet Agencies, Office of the Governor’s Council on Women’s Health, the Workers’ Compensation Administration, the Superintendent of Insurance, CEO of the Behavioral Health Collaborative, and a representative from the past Administration’s Office, have met monthly since April 2010 through December 2010. Public input was received in all meetings and contributed to the recommendations of the Transition Report. The Transition Report was given to the incumbent Governor, Susana Martinez and the new Administration. Reported in the December 2010 NM Office of Health Care Reform Transition Plan. Quasi-governmental agency recommended.</p> <p>Q2: 15 contracts executed to educate stakeholders, gather data and facilitate, collect, analyze and report public input from constituents across New Mexico</p>

Q2 Report New Mexico Office of Health Care Reform

Core Area	Milestone	Summary of Activities 1 st and Q2
		<p>to inform the State’s planners in the development of a health insurance Exchange.</p> <p>Completed in Q2: Introduction of Bills in the 2011 NM Legislative Session which identified a quasi-governmental agency and the structure of the governing body. Awaiting further direction from the Governor on the establishment and governance structure of an Exchange.</p>
<p>Exchange IT Systems (Note: Use iterative system development process to capture updates and changes to business and system requirements, development, testing, and implementation of Exchange IT Systems)</p>	<p>Q1: **Conduct a gap analysis of its existing systems and the end goal for systems development by 2014.</p> <p>Q1: **Complete the review of product feasibility, viability, and alignment with Exchange program goals and objectives.</p> <p>Q2: **Complete preliminary business requirements and develop an IT architectural and integration framework.</p> <p>Q2: **Complete Systems Development Life Cycle (SDLC) implementation plan.</p>	<p>Q1: Not initiated in Q1.</p> <p>Q2: Interagency partnering between Human Services Department and the Department of Health CIOs for guidance and development of a Scope of Work (SOW) for the IT Gap Analysis. SOW developed and contracted to meet these milestones in the following quarters.</p>
<p>Program Integration</p>	<ul style="list-style-type: none"> ▪ **Q2 Perform detailed business process documentation to reflect current State business processes, and include future State process changes to support proposed Exchange operational requirements ▪ **Initiate communication with the State HIT Coordinators, State Department of Insurance and the State Medicaid agency, and the State Human Services agency as appropriate, and hold regular collaborative meetings to develop work plans for collaboration. ▪ **Execute an agreement with the State Department of Insurance that includes: <ol style="list-style-type: none"> 1. Determination of the roles and responsibilities of the Exchange and the State DOI as they relate to qualified health plans offered inside and outside the Exchange. 2. Devise a strategy for limiting adverse selection between the Exchange and the outside market, possibly including legislative changes to level the playing field. 	<p>Q2: Due to the transition of Administrations and activities of the 2011 Legislative Session throughout the 2nd Quarter the NM Office of Health Care Reform is awaiting decision and direction from the Governor’s Office before proceeding with these milestones. However, the Superintendent of Insurance is a member of the National Association of Insurance Commissioners (NAIC) and has staff on various NAIC committees reviewing model acts and current state laws regarding market conditions and controls to include adverse selection, rate review, and medical loss ratio (MLR). Since the state has not authorized an exchange, the PRC Insurance Superintendent currently is the sole state regulator that qualifies commercial health care insurance products that are offered in New Mexico according to state laws and mandates. Legislation was passed to support a more stringent and transparent rate review process.</p> <p>The Superintendent of Insurance chairs both the state high-risk pool (New Mexico Medical Insurance Pool) and the New Mexico Health Insurance Alliance that have engaged in discussion and legislation to become the state exchange.</p>

Q2 Report New Mexico Office of Health Care Reform

Core Area	Milestone	Summary of Activities 1 st and Q2
	<ul style="list-style-type: none"> ▪ **Execute an agreement with the State Medicaid agency, any other applicable State health subsidy program, and other specific health and human services programs as appropriate, that includes: <ol style="list-style-type: none"> 1. Determination of the roles and responsibilities related to eligibility determination, verification, and enrollment 2. Identification of challenges in the program integration process, strategies for mitigating those issues, and timelines for completion. 3. Strategies for compliance with the “no wrong door” policy. 4. Standard operating procedures for interactions between the Exchange and OASHSPs. <p>Cost allocation between the Exchange grants, Medicaid Federal Financial Participation (FFP), and other fund streams as appropriate.</p>	
Financial Management	<ul style="list-style-type: none"> ▪ **Adhere to HHS financial monitoring activities carried out for the Planning Grant and under the Establishment Cooperative Agreement. ▪ Begin defining financial management structure and the scope of activities required to comply with requirements. ▪ **Establish a financial management structure and commit to hiring experienced accountants to support financial management activities of the Exchange, which include responding to audit requests and inquiries of the Secretary and the Government Accountability Office as needed. 	<p>Q2: Due to the transition of Administrations and activities of the 2011 Legislative Session throughout the 2nd Quarter, the NM Office of Health Care Reform is awaiting decisions and direction from the Governor’s Office before proceeding with these milestones.</p>
Oversight & Program Integrity	<ul style="list-style-type: none"> ▪ **Ensure the prevention of waste, fraud, and abuse related to the expenditure of Exchange Planning and Exchange Establishment grants. ▪ Continue planning process and hire staff for oversight and program integrity functions. 	<p>Q2: Due to the transition of Administrations and activities of the 2011 Legislative Session throughout the 2nd Quarter, the NM Office of Health Care Reform is awaiting decisions and direction from the Governor’s Office before proceeding with these milestones.</p>

Q2 Report New Mexico Office of Health Care Reform

Core Area	Milestone	Summary of Activities 1 st and Q2
Providing Assistance to Individuals and Small Businesses, Coverage Appeals, and Complaints	<ul style="list-style-type: none"> ▪ Coordinate with existing organizations in the State if applicable; and assure that the following services are available and sufficient to meet State residents’ need for assistance: (i) help individuals determine eligibility for private and public coverage and enroll in such coverage; (ii) help file grievances and appeals; (iii) provide information about consumer protections; and (iv) collect data on inquiries and problems and how they are resolved. ▪ **Analyze data collected by consumer assistance programs and report on plans for use of information to strengthen qualified health plan accountability and functioning of Exchanges. 	<p>The Division of Insurance (DOI) through its Managed Health Care Bureau is responsible for consumer data collection and services including assisting consumers with filing complaints and appeals, assisting consumers with enrollment into health coverage, and educating consumers on their rights and responsibilities with respect to group health plan and health insurance coverage. The DOI is required to collect data on consumer inquiries and complaints to help the Department of Health and Human Services Secretary identify problems in the marketplace and strengthen enforcement efforts. Consumer stakeholders meetings have been established to report on enhanced activities allowed through the consumer assistance grant funding.</p>
Certification of Qualified Health Plans	<p>Q3: Begin developing standards that will be required for certification of a qualified health plan.</p> <p>Q4: Develop a clear certification policy including a timeline for application submission, evaluation, and selection of qualified health plans.</p> <p>Q4: Actively engage stakeholders in the development of the solicitation for proposals, through meeting, conferences, webinars, and other forums designed to gather stakeholder input.</p>	<p>Q2: Not Applicable</p>
Call Center	<p>Collaborate with the State Consumer Assistance Program or Health Ombudsman program if applicable, to determine if call center functionalities can be shared.</p>	<p>Q2: Will be addressed in gap analysis to be completed in Q3 and Q4.</p>
Exchange Website and Calculator	<p>**Q1: Begin developing requirements for systems and program operations, including:</p> <ul style="list-style-type: none"> ▪ Requirements related to online comparison of qualified health plans. ▪ Requirements related to online application and selection of qualified health plans. ▪ Premium tax credit and cost-sharing reduction calculator functionality. ▪ Requests for assistance. 	<p>Q2: Due to the transition of Administrations and activities of the 2011 Legislative Session throughout the 2nd Quarter, the NM Office of Health Care Reform is awaiting decisions and direction from the Governor’s Office before proceeding with these milestones.</p>

Q2 Report New Mexico Office of Health Care Reform

Core Area	Milestone	Summary of Activities 1 st and Q2
	<ul style="list-style-type: none"> ▪ Linkages to other State health subsidy programs, and other health and human services programs as appropriate. 	
Quality Rating System	Utilize the Federal quality rating system developed by HHS in development of draft contract for qualified health plans.	Q2: Awaiting decisions and direction from the Governor’s Office before proceeding with this milestone.
Navigator Program	Conduct preliminary planning activities related to the Navigator program including developing high level milestones and timeframes for establishment of the program.	Q2: Same as above
Eligibility Determination	<p>Q1: Begin coordination with agencies administering other Applicable State Health Subsidy Programs (OASHSPs), including Medicaid and CHIP agencies and other health and human services agencies as appropriate, and create institutional structure to support future work.</p> <p>Q1: Begin coordination with the State Department of Insurance on Exchange planning efforts.</p> <p>**Q1: Begin developing requirements, including requirements on the Exchange side and in OASHSPs, (and other program agencies as appropriate), including:</p> <ul style="list-style-type: none"> ▪ Integrating or interfacing with OASHSPs to support enrollment transactions and eligibility referrals ▪ Coordinating appeals ▪ Coordinating applications and notices ▪ Managing transitions ▪ Communicating the enrollment status of individuals 	Q2: To be addressed in the gap analysis.
Enrollment Process	<p>**Q1: Begin developing requirements for systems and program operations, including:</p> <ul style="list-style-type: none"> ▪ Providing customized plan information to individuals based on eligibility and QHP data. ▪ Submitting enrollment transactions to QHP issuers. ▪ Receiving acknowledgements of enrollment transactions from QHP issuers. ▪ Submitting relevant data to HHS. 	Q2: Awaiting a decision on the Health Insurance Exchange and system development.

Q2 Report New Mexico Office of Health Care Reform

Core Area	Milestone	Summary of Activities 1 st and Q2
Applications and Notices	Review Federal requirements for applications and notices, begin customizing Federal applications and notices as allowable and begin developing requirements for Exchange-created applications and notices.	Q2: To be addressed in the gap analysis.
Exemptions from Individual Responsibility Requirement and Payment	**Q1: Begin developing requirements for systems and program operations, including: <ul style="list-style-type: none"> ▪ Accepting requests for exemptions. ▪ Reviewing and adjudicating requests. ▪ Exchanging relevant information with HHS. 	Q2: No progress
Premium Tax Credit and Cost-sharing Reduction Administration	**Q1: Begin developing requirements for systems and program operations, including providing relevant information to QHP issuers and HHS to start, stop, or change the level of premium tax credits and cost-sharing reductions.	Q2: Awaiting a decision on the Health Insurance Exchange and system development.
Adjudication of Appeals of Eligibility Determination	N/A until 2012	N/A until 2012
Notification and appeals of employer liability for the employer responsibility payment	**Q1 Begin developing requirements for systems and program operations, including: <ul style="list-style-type: none"> ▪ Coordination of employer appeals with appeals of individual eligibility. ▪ Submission of relevant data to HHS. 	Q2: Awaiting a decision on the Health Insurance Exchange and system development.
Information reporting to IRS and enrollee	**Q1 Begin developing requirements for systems and program operations, including: <ul style="list-style-type: none"> ▪ Capturing data used in enrollment process. ▪ Submitting relevant data to HHS for later use in information reporting. ▪ Capacity to generate information reports to enrollees. 	Q2: Awaiting a decision on the Health Insurance Exchange and system development.

Q2 Report New Mexico Office of Health Care Reform

Core Area	Milestone	Summary of Activities 1 st and Q2
Outreach and Education	<ul style="list-style-type: none"> ▪ Perform market analysis/environmental scan to assess outreach/education needs to determine geographic and demographic-based target areas and vulnerable populations for outreach efforts. ▪ Develop outreach and education plan to include key milestones and contracting strategy. ▪ Distribute outreach and education plan to stakeholders and HHS for input and refinement. 	<p>Q2: 11 of 19 contractors' are charged with educating their stakeholder groups about the fundamentals of health care reform and a health insurance exchange in addition to designing data gathering methods and facilitate, collect, analyze and report public input to inform the State's planners in the development of a health insurance Exchange. Final reports are due June 30, 2011.</p>
Free Choice Vouchers	<p>**Q1: Begin developing requirements for systems and program operations, including reporting to employers and managing financial components of Free Choice Vouchers.</p>	<p>N/A</p>
SHOP-specific Functions	<ul style="list-style-type: none"> ▪ Research the design and approach of the SHOP Exchange and whether it will be merged with the individual market Exchange. ▪ **Q1: Begin developing requirements for systems and program operations. 	<p>Q2: Awaiting decision and direction from the Governor's Office before proceeding with this milestone.</p>

Barriers, Lessons Learned, and Recommendations to the Program

Please report on any issues or problems that have impacted the development and implementation of the project during the reporting period. Detail what impact any issues may have on the achievement of project targets, and set out how you plan to tackle these issues. Also provide any lessons that you have learned during this quarter that you think would be helpful to share with other states as well as any recommendations you have for the program.

Due to two occurrences - a change of administration and the NM legislative session - the establishment of a health care Exchange could not fully proceed. During this time the NM OHCR continued to finalize contracts and proceed with data gathering and analysis. Even though SB 38/370 was vetoed, there is indication that the Governor supports the creation of a framework to establish a state insurance Exchange. There were limitations on what could be accomplished during the Administrative transition and the Legislative session which all took place during this Quarter.

As the NM OHCR anticipates the appointment of a director, we have continued to make progress in the full execution of 15 input and data analysis contracts. The NM OHCR developed a ‘Core Area’ guide for the contractors to assist in their data collection and to encourage consistency in project deliverables. The NM OHCR met with contractors individually to review and approve their work plans and continues to meet with them monthly to review progress of data collection and to offer support for the contractors should any issues arise. The NM OHCR was also the recipient of two awards. New Mexico was selected to receive technical support from the Robert Wood Johnson Foundation and a \$30,000 grant writing assistance award from the Con Alma Health Foundation. It is anticipated that these awards and projects will start in the 3rd Quarter of the Planning Grant.

Recommendations:

- Identify who will run the Exchange so that entity and the Human Services Department (or designated agency) can begin working together to create an integrated and seamless eligibility and enrollment system that is supported by new information technology.
- Complete the IT Gap Analysis.
- Establish a Health Care Reform website that will serve as the “go to” place for accurate information about PPACA. At a minimum this website will contain: consumer information, grant opportunities, funding applications and reports. Other information that will be posted to this website will include: public meeting schedules, minutes, legislation, agency progress with implementation, key decisions that have been made, policy considerations and recommendations. Timelines will also be added when appropriate.

- Keep stakeholders informed and involved. The Consumer and Insurer stakeholder work groups continued to meet during the 2011 Regular Legislative session. The HIT, Medicaid and Provider work groups choose to postpone their meetings until after the session.
- The Native American work group is appointed by tribal leadership. Many of the tribes in NM have also had a change in tribal administration. A new Native American work group will be appointed by the new tribal Governors and Chairmen.

The purpose of the above mentioned stakeholder work groups is to provide ongoing recommendations to the Office of Health Care Reform.

Technical Assistance

Technical assistance needs will be determined by the Office of the Governor and her appointed Office of Health Care Reform Director. This appointment should be announced in May, 2011.

Q2 and Ongoing:

- Robert Wood Johnson Foundation (RWJF): The OHCR is the recipient of a new initiative of the RWJF to provide 10 states technical support as they implement reforms to their health care system. A team of experts will be assembled who will provide comprehensive, sustained and intensive technical assistance and support to pursue innovative, state-specific solutions to strengthen our health system. Technical assistance will be provided from May 2011 - 2014
- Con Alma Health Foundation will provide the NM OHCR with grant writing assistance for HIE funding opportunities. Available through December 2011.

Work Plan

Work plan milestones with anticipated quarters for completion are indentified in the 'Core Areas' matrix on page 2- 11.

Collaborations/Partnerships

Report on who you are working with outside of your office or department, and any changes or issues in your institutional context and/or any progress or issues with your project partners (where applicable).

The New Mexico Office of Health Care Reform is housed in the New Mexico Human Services Department (HSD), Office of the Secretary. Within the HSD are four Divisions: Income Support Division (ISD); Child Support Enforcement Division (CSED); Behavioral Health Services Division (BHSD); and the Medical Assistance Division (MAD – Medicaid).

Name of Partner: Medical Assistance Division (MAD – Medicaid)

Organizational Type of Partner: State Medicaid Agency

- **Role of Partner in Establishing Insurance Exchange:** The NM OHCR works closely with the Medical Assistance Division (MAD). MAD is the direct administrator of the New Mexico Medicaid program. Currently, there are approximately 40 categories of eligibility within New Mexico Medicaid. Some of these include [New MexiKids](#) & [New MexiTeens](#), [Family Planning and Pregnancy](#), [the Coordination of Long-Term Services \(CoLTS\) program](#), [The Breast and Cervical Cancer Program](#) and [the Working Disabled Individuals \(WDI\) program](#). MAD is responsible for all [Fee for Service \(FFS\)](#) provider payments as well. In addition to traditional Medicaid services, MAD also administers [Insure New Mexico! Solutions](#). These are state and federally funded insurance programs for individuals, non-profit organizations and small businesses as well as expanded coverage options for children and pregnant women. These programs include [State Coverage Insurance \(SCI\)](#), [Premium Assistance for Kids \(PAK\)](#) and [Premium Assistance for Maternity \(PAM\)](#). Many of the individuals insured through MAD will be eligible for insurance on a health insurance exchange.
- **Accomplishments of Partnership:** State Coverage Insurance (SCI) is designed for working New Mexico residents, 19-64 years of age with household incomes up to 200% of the Federal Income Guidelines including small employers and non-profits with 50 or fewer eligible employees and self-employed individuals. The overall mission of *Insure New Mexico!* is to reduce the number of uninsured New Mexicans and ensure access to medically necessary services for eligible individuals. Programs include health insurance for small businesses, non-profit organizations, self-employed, families, children, and pregnant women.

Barriers/Challenges of Partnership: The SCI program has currently reached its maximum enrollment. All individual and employer group applications are being placed on the waiting list. Effective September 1, 2010, new employees joining existing SCI employer groups will no longer be exempt from the waiting list. PAK and PAM enrollment has also been suspended due to state budgetary constraints.

There are currently two full-time employees in the NM OHCR and three representatives from state partner organizations who sit on the Health Care Reform Steering Group. They represent the Department of Insurance and the Department of Health.

- **Name of Partner:** Public Regulation Commission/Department of Insurance (PRC/DOI)
- **Organizational Type of Partner:** Other-Insurance Superintendent
- **Role of Partner in Establishing Insurance Exchange:**
 - The New Mexico Public Regulation Commission (NMPRC) and its Division of Insurance (DOI) were awarded \$1 million in federal funding in order to enhance the current capacity in reviewing rate increase requests for individual and small group health insurance markets in the State of New Mexico. The use of awarded funds for this specific project would allow the DOI to strengthen the current review process and create a process for public disclosure that is accessible, consumer friendly and provides the citizens of New Mexico an opportunity to present feedback on factors of concern related to a rate increase request prior to a determination.
 - The NMPRC has sought professional services to conduct a comprehensive assessment of all components of the current DOI health insurance rate review process to inform the State's development of enhanced provisions and legislation in the health insurance rate review process.
 - Legislation was passed during the 2011 NM legislative session that requires transparency and a stricter review process for health insurance companies seeking to increase rates for New Mexico consumers.
 - The NMPRC has sought professional services to design data gathering methods and facilitate, collect and analyze public input from consumer stakeholders to inform the State's development of consumer communication media related to health insurance premiums and consumer protections.
 - The NMPRC/ DOI was also awarded \$226,426 in consumer assistance funding to broaden consumer assistance services. The use of awarded funds is to enhance its current program that will allow the DOI to provide new services, including assisting consumers

with filing complaints and appeals, assisting consumers with enrollment into health coverage, and educating consumers on their rights and responsibilities with respect to group health plan and health insurance coverage. More comprehensive accommodations will be provided for people with limited English proficiency and disabilities that follow nationally recognized standards and measures. Additionally, the Bureau will collect data on consumer inquiries and complaints to help the Department of Health and Human Services Secretary identify problems in the marketplace and strengthen enforcement efforts.

- The DOI proposes to create an ombudsman position that will collaborate with certified community advocates and volunteers.
- **Accomplishments of Partnership:** An employee of the Division of Insurance is a member of the Office of Health Care Reform’s steering group. This relationship is critical in ensuring ongoing communication and collaboration between the two entities.
- **Barriers/Challenges of Partnership:** The PRC/DOI is governed by an elected commission and does not report directly to the Governor, whereas the Human Service Department’s Office of Health Care Reform is under the direction of the Governor. Although this challenge has not posed a significant issue, the two branches of government may differ on policy issues in the future and collaboration will be critical.

- **Name of Partner:** NM Department of Health (DOH)
- **Organizational Type of Partner:** Health Department
- **Role of Partner in Establishing Insurance Exchange:** Two employees of the Department of Health are members of the Office of Health Care Reform’s steering group. These employees are responsible for the tracking of PPACA related funding opportunities. The DOH is assisting the NM OHCR in the collection of stakeholder input from Spanish-only speaking individuals to guide the implementation of the exchange. DOH also is providing input regarding health provider coverage and access.
- **Accomplishments of Partnership:** Grant tracking is completed by the New Mexico Department of Health’s (DOH) Division of Policy and Performance. DOH utilizes several federal websites and also relies on information provided by other members of the Office of Health Care Reform Steering Group to keep this information up-to-date, currently on a daily basis. DOH updates grant opportunities as they are released on the grants.gov website. Once a new grant opportunity is found the information is sent to the New Mexico Office of Health Care Reform. This information is then relayed out to several list serves throughout the state. A PPACA grant tracking spreadsheet is updated on a daily basis and is

released to the public under the New Mexico Human Services Department's Health Care Reform website. DOH's Chief Information Officer also is assisting with the Scope of Work and contracting process for the IT Gap analysis.

- **Barriers/Challenges of Partnership:** None

2Q Changes

New Cabinet Secretary appointments have been made throughout this quarter resulting in a change in executive leadership. The previous Administration appointed Cabinet Secretaries to the Health Care Reform Leadership Team. At this writing Governor Martinez has not announced her position about a Health Reform Leadership Team, however it is anticipated that a decision will be forthcoming.

*The following reflects last quarter's partners, ** asterisk indicates current changes.*

- **Name of Partner:** NM Department of Aging and Long-Term Services (ALTSD)
- **Organizational Type of Partner:** Long-Term Services State Agency
- **Role of Partner in Establishing Insurance Exchange:** An employee of the Department of Aging and Long-Term Services is a member of the Office of Health Care Reform's steering group. This employee is responsible for providing the long-term services perspective. The ALTSD Cabinet Secretary is a member of the Health Reform Leadership Team.
- **Accomplishments of Partnership:** Input regarding how to access stakeholder input from individuals living with a disability and their family and caregivers.
- ****Barriers/Challenges of Partnership:** Change in leadership of ALTSD. The employee assigned to the HCR Steering Group moved to a position outside of state government. There have been no new appointments to the steering group this quarter.

- **Name of Partner:** NM Department of Indian Affairs (IAD)
- **Organizational Type of Partner:** Indian Affairs State Agency
- **Role of Partner in Establishing Insurance Exchange:** An employee of the Department of Indian Affairs has been a member of the Office of Health Care Reform's steering group. This employee is responsible for providing the perspective of tribal government, tribal members and American Indians living off-reservation.
- **Accomplishments of Partnership:** The IAD Cabinet Secretary is a member of the Health Reform Leadership Team. New Mexico is the only state which has a Cabinet level Indian Affairs Department and is often hailed as a national model for state-tribal relations. New Mexico also enacted SB 196, the State-Tribal Collaboration Act, in 2009 that codified an effective and comprehensive structure to

ensure positive government-to-government relations, effective collaboration and communication between tribal governments and state agencies and cultural competency in the provision of state services to Native Americans. Consultation and collaboration efforts have been most effective and meaningful when conducted before taking action that impacts Tribes and AI/AN. Most recently this has been particularly evident in State Tribal Consultations (STC) on Medicaid and health care reform. The Human Services Department (HSD) has collaborated and worked closely with the Indian Affairs Department (IAD) to promote effective consultation, communication and collaboration between the Departments and the 22 Tribes, Nations, and Pueblos in New Mexico. These efforts have resulted in a positive government-to-government relationship built on mutually respectful relationships between the Secretaries of HSD, IAD and Tribal leadership. It is recommended that the Office of Health Care Reform (OHCR) continue to build on this relationship through conducting tribal consultations regarding health care reform initiatives and policies that will impact AI/AN, and to create within the OHCR a Native American Ombudsman position in 2011 to address all Native American issues and Indian specific provisions of the PPACA.

- ****Barriers/Challenges of Partnership:** There was no appointment of a Cabinet Secretary for the Indian Affairs Department during this reporting period. The tribes and pueblos of NM also held elections resulting in new tribal leadership. No state tribal consultations during this reporting period.

The following partners are actively engaged in providing insurance coverage to New Mexicans. They were identified in health insurance exchange legislation that passed both houses of the New Mexico 2011 legislature as key players in the development of a New Mexico health insurance exchange. The bill, SB38, was vetoed by Governor Martinez. Today their role in providing health care to New Mexicans that may not otherwise have access to affordable coverage remains vital. What is less certain is their specific role in the overall health care reform picture as New Mexico moves forward in its implementation of PPACA.

- **Name of Partner:** NM Medical Insurance Pool (NMMIP)
- **Organizational Type of Partner:** Quasi-governmental entity—operates the state and federal high risk pool.
- **Role of Partner in Establishing Insurance Exchange:** New Mexico submitted and was approved by the Department of Health and Human Services to operate a temporary high risk pool program. This program is operational and is being administered alongside the existing State High Risk Pool by the

New Mexico Medical Insurance Pool. New Mexico will receive \$37 million, over a three year period, to operate the Temporary High Risk Insurance Pool.

- **Accomplishments of Partnership:** NMMIP has successfully implemented and is currently operating the federal high risk pool. Approximately 250 individuals are enrolled. Current enrolment aligns with what was projected; however, claims have been higher than what was anticipated. The state high risk pool, with state resources, is currently providing the funds to discount the premiums that are not funded through the federal grant.

Barriers/Challenges of Partnership: It remains uncertain how NMMIP will fit into plans for a health insurance exchange in New Mexico.

- **Name of Partner:** New Mexico Health Insurance Alliance (NMHIA)
- **Organizational Type of Partner:** Public-private Insurance Partnership created in 1994 by the State Legislature to provide increased access to health insurance for small businesses and self-employed and qualified individuals.
- **Role of Partner in Establishing Insurance Exchange:** The NMHIA was named in vetoed legislation as a main player in a proposed New Mexico health insurance exchange. Because of its established capability to provide coverage to small employers and the self-employed, the OHCR believes that the NMHIA will remain a key player in the implementation of PPACA in New Mexico.
- **Accomplishments of Partnership:** The NMHIA enrolment has varied throughout the years. It reached its maximum enrolment in 2000 when it covered 8,794 lives. The number of lives covered at the end of 2010 was 3,896.
- **Barriers/Challenges of Partnership:** It remains uncertain how NMHIA will fit into plans for a health insurance exchange in New Mexico