

New Mexico

2021 Healthcare Affordability Policy Checklist

KEY

-  = implemented by state
-  = the state has implemented policies, but could improve
-  = not implemented by state

polling data repeatedly shows that healthcare affordability is the number one issue that state residents, on both sides of the political aisle, want their policymakers to work on. This checklist identifies areas where New Mexico is doing well and areas where it can improve.

1. CURB EXCESS HEALTHCARE PRICES:

- Implement free, public-facing healthcare price transparency that reflects negotiated rates and features treatment- and provider-specific prices. 
- Create an all-payer or multi-payer claims database to analyze healthcare price inflation, price variation and utilization.¹ 
- Create a permanently convened health spending oversight entity. 
- Create all-payer healthcare spending and quality benchmarks for the state. 

2. REDUCE LOW-VALUE CARE:

- Require validated patient-safety reporting for hospitals.² 
- Universally implement antibiotic stewardship programs using CDC's 7 Core Elements.³ 
- Analyze claims and EHR data to understand how much is spent on low- and no-value services. 

3. EXTEND COVERAGE TO ALL RESIDENTS:

- Expand Medicaid to cover adults up to 138% of the federal poverty level. 
- Provide high-quality, affordable coverage options for people whose incomes are too high to qualify for Medicaid, e.g., Basic Health Plan, reinsurance or augmented premium subsidies.⁴ 
- Provide options for immigrants that don't qualify for the coverage above.⁵ 
- Conduct strong rate review of fully insured, private market options.⁶ 

4. MAKE OUT-OF-POCKET COSTS AFFORDABLE:

- Protect patients from inadvertent surprise out-of-network medical bills.^{7,8} 
- Limit the availability of short-term, limited-duration health plans. 
- Waive or reduce cost-sharing for high-value services.⁹ 
- Require insurers in a state-based exchange to offer evidence-based standard plan designs. 

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Additional detail is available at:

WWW.HEALTHCAREVALUEHUB.ORG/AFFORDABILITY-SCORECARD/NEW-MEXICO

NOTES

1. NM lawmakers approved funding for an APCD in 2019.
2. Central line-associated bloodstream infections (CLABSI) and catheter-associated urinary tract infections (CAUTI) are two common forms of hospital-acquired infections. NM mandates reporting for CLABSI, but the reports are not required to be validated. Information on reporting and validation for CAUTI is not available. For more information, see: https://www.cdc.gov/hai/data/portal/progress-report.html#Data_tables.
3. 83% of NM hospitals have adopted antibiotic stewardship. For more information, see: <https://www.cdc.gov/antibiotic-use/stewardship-report/current.html>.
4. In 2019, the legislature provided funding to explore the policy and fiscal implications of offering a Medicaid buy-in plan (HM 9). The state-funded study explored four different options: a Basic Health Program; a Qualified Health Plan Public Option; Medicaid Buy-In for All; and a Targeted Medicaid Buy-In (which would offer buy-in coverage outside of the Marketplace). The study found that a Targeted Medicaid Buy-In would reduce premiums by 15%-28% compared to the marketplace and expand coverage to 7,000–16,000 individuals. In the 2019 legislative session, the House (HB 548) and Senate (SB 536) voted to appropriate funds to the Human Services Department in FY 2020 to study and begin administrative development of a Medicaid Buy-In plan, as well as pursue federal funding through a waiver.
5. NM offers Medicaid coverage to lawfully residing immigrant pregnant women and children without a 5-year wait. NM does not offer coverage options for undocumented children/pregnant people/adults. Looking Ahead: NM passed a 2021 law to establish a Health Care Affordability Fund reducing the cost of healthcare coverage for all NM residents and small businesses, including a plan for people unable to buy plans on the Exchange due to immigration status. The state also passed HB 112 in 2021 requiring all counties/hospitals in the state to offer indigent care to all migrants, regardless of immigration status; however, it does not expand access to health coverage.
6. NM insurance regulators can approve or reject premium rate increases before they go into effect. Proposed rates must be reasonable, not excessive, inadequate or unfairly discriminatory and must be actuarially sound.
7. NM has comprehensive protections against surprise medical billing. ‘Comprehensive’ surprise medical billing protections include emergency departments and hospitals, apply to all insurance types, hold consumers harmless/ prevent balance billing and adopt adequate payment standard or dispute resolution process. States with only some of these policies have ‘partial’ protections. For more information, see: <https://www.commonwealthfund.org/publications/maps-and-interactives/2021/feb/state-balance-billing-protections>.
8. The federal No Surprises Act prohibits surprise medical billing in most plans effective January 2022. However, it does not cover ground ambulances which often result in surprise bills. An analysis by Johns Hopkins University conducted specially for Altarum revealed that 55% of ground ambulance rides in NM charged to commercial insurance plans had the potential for surprise medical billing. Note: NM had a small sample size [855] compared to other states, so interpret estimate with caution.
9. Beginning Jan. 1, 2021, NM capped co-pays and out-of-pocket expenses for insulin at \$25 for a 30-day supply, establishing the lowest price cap in the country. Establishing legislation also required a study of the cost of prescription drugs for NM consumers to be completed by Oct. 1, 2020. In addition, NM passed legislation prohibiting cost-sharing for people with insurance who seek behavioral health services until Jan. 1, 2027.



ABOUT ALTARUM'S HEALTHCARE VALUE HUB

With support from Arnold Ventures and the Robert Wood Johnson Foundation, the Healthcare Value Hub provides free, timely information about the policies and practices that address high healthcare costs and poor quality, bringing better value to consumers. The Hub is part of Altarum, a nonprofit organization with the mission of creating a better, more sustainable future for all Americans by applying research-based and field-tested solutions that transform our systems of health and healthcare.

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