



# H.B. 122: Healthcare Affordability Fund

## Sponsored by Representative Armstrong

Everyone needs quality, affordable healthcare. New Mexico has a unique opportunity to bring down healthcare costs & expand coverage.

### New Mexicans are struggling with healthcare coverage—and want the state to take action.

Affordability is the number one barrier to healthcare, and massive medical debt is draining our communities as thousands of patients are sued for collections.<sup>1</sup> Surveys conducted in NM in 2019 found<sup>2</sup>:

- **90%** of New Mexicans find it important for the state to make healthcare more affordable.
- **44%** of the uninsured say they don't have coverage because the premiums are too high.
- **21%** say it was not worth getting covered because of the high deductibles.
- **39%** of New Mexicans skipped or refused a medical test recommended by a doctor because they couldn't afford it.
- **56,000** New Mexicans who qualify for federal premium assistance remain uninsured.<sup>3</sup>
- **64,000** people can't get federal assistance because of immigration status or because their employer offered coverage even though it's unaffordable ("family glitch").

### New Mexico has a chance to reduce health costs and expand healthcare coverage, if we act now to:

1. Enact a **health insurance tax of 2.75%** to bring in revenue of over \$110 Million.
2. Establish a Healthcare Affordability Fund that dedicates new revenue toward a plan (like Medicaid Buy In) for quality affordable healthcare for all New Mexicans.
3. **Expand coverage equitably, giving priority to low-wage workers and those most in need** that don't have access now. This is critical to bringing down costs for everyone.

Colorado, Delaware, Maryland, and New Jersey have already done this!

### Over \$110 million in revenue—mostly paid by the federal government!

A health insurance tax raises over \$110 million and most of this is paid by the federal government. This is because Medicaid pays the fee for all Managed Care Organizations (MCOs), and this is about 80% paid for by the federal government. Anything the state pays is canceled out by the new revenues.

### Funds will be used to reduce costs and expand affordable healthcare.

New Mexico already has plans underway to expand coverage and make healthcare more affordable for consumers.

### We must act now!

#### Healthcare coverage is more necessary than ever.

- Everyone should be able to get healthcare.
- Essential workers working in low-wage jobs shouldn't be denied the essentials like healthcare.
- When people delay or can't get healthcare, it threatens public health and puts everyone at risk.
- Families face financial ruin from medical bills or when family members are sick and cannot work.
- Our economy is drained by medical debt—our hospitals alone have tens of millions in unpaid debts.
- Healthcare costs go down when more people have coverage because doctors and hospitals don't charge everyone else hidden costs to make up for expensive emergency room visits or uncompensated care, and county indigent programs don't have to pick up the costs.

<sup>1</sup> Laura Beil, "As Patients Struggle with Bills, Hospital Sues Thousands," New York Times, <https://nyti.ms/35SorFz>

<sup>2</sup> Survey conducted in NM by Purple Strategies in September-October 2019. Commissioned by United States of Care.

<sup>3</sup> Urban Institute, "Updated Estimates of the New Mexico Uninsured and Health Care Reform Options..." <https://urban.is/32T8Nv3>