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State stands to gain from health reform

Large Medicaid population, high poverty rate mean more federal funds, jobs

By Bruce Krasnow
The New Mexican

A top health administrator says New Mexico would see a big economic boost from federal health-insurance reform that should ripple through the economy.

Unlike other states that may have to bear some costs for expanding government insurance to the poor and disabled, New Mexico has a highly subsidized Medicaid population because of the poverty rate and the large number of people who live just above the poverty level.

The federal government pays about 70 percent of all Medicaid costs today in New Mexico, and under the pending health-insurance bill, that would increase for some new patients to 95 percent or more.

"The state is looking at a tremendous amount of money to cover those people," said Carolyn Ingram, director of the Medical Assistance Division of the New Mexico Human Services Department.

The numbers are not yet final as congressional leaders work over the weekend to reconcile two separate health-insurance reform bills. The Senate-passed bill calls for increasing Medicaid eligibility to 133 percent of poverty, which means another 124,000 people statewide would become eli-

gible for the federal insurance program.

In Santa Fe County, the increase would be another 7,000 patients, according to estimates by U.S. Sen. Jeff Bingaman. And the county would see another 18,000 residents qualify for some federal subsidy money under an insurance exchange or marketplace where those without coverage could buy a policy with a private company, Bingaman said.

Ingram said it's unrealistic to enroll all the new Medicaid-eligible people, but getting 80 percent in the program is possible — or about 100,000 more Medicaid-insured patients in New Mexico within five years.

The state now has 468,000 residents enrolled in Medicaid, so the expansion would boost the program by 21 percent. Current Medicaid spending generates about \$2 billion in federal matching money and 44,000 jobs statewide, according to a recent study by New Mexico Voices for Children.

"The economic multiplier effect is so great for us, a lot of people are afraid (of the legislation) because of cost or for other reasons, but once we get these people insured, the economic revenue that gets into the state will flow through the economy," Ingram said.



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Reform: More employees required

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Ingram also pointed to the challenges of the new caseloads. Although the Human Services Department will initially undertake the tasks with existing staff, it will inevitably need more employees when enrollments start to expand — and the federal dollars follow.

Immediately after a bill is signed, the state can start enrolling childless adults and parents of children already covered, with more expansion coming by 2014, when there would be a mandate for individuals to have some form of health insurance.

Ingram sees challenges with outreach and technology as well as enrolling tribal members.

Bingaman told a panel of lawmakers recently that tribal members would not be required to have health insurance under the bills, but most would qualify for Medicaid — and so the challenge for the state is to work with tribal leaders to advance enrollment and show why having Medicaid insurance, as well as access to care with the Indian Health Service, is a good thing.

Bingaman, working with the Urban Institute, is supporting several amendments to streamline Medicaid enrollment, which will account for 41 per-

cent of all the newly insured if the measure becomes law, said Stan Dorn, a senior fellow with the Washington, D.C.-based policy group.

In a conference call this last week, Dorn said enrollment issues can be “technical and boring” but may be the key to health-insurance reforms taking hold and improving lives. “There is a long history of health insurance expansion not meeting its goals,” he said.

Among the changes sought:

- ◆ A streamlined application for all the health-insurance programs, including Medicaid and federal subsidies in the private health-insurance exchanges. If individuals don't qualify for one program, there would not be a need to submit more paperwork for another.

- ◆ Automatic enrollment that would allow individuals to check a box on IRS tax forms if they want their income information to be considered for eligibility into Medicaid. If they qualify on income, families can be enrolled or sent enrollment forms. “If the government already has the infor-

mation, why not use it to determine eligibility,” Dorn said.

Dorn credited Bingaman with leading the way on the technical aspects of the health bill that are not headline-grabbing.

Bingaman is also backing a change that would make it easier for states to receive their share of federal dollars based on statistical sampling.

It would involve calculations now done with other federal programs so New Mexico and other states can receive the money with less paperwork and staff time.

Some of the measures were included by Bingaman and passed in the Senate Finance Committee, but got written out of the final bill in drafting. Now Bingaman said he is working with Senate leaders to get the final bill right.

“If we're not able to streamline applications, it will be harder for folks to sign up and harder to get the results we hope for in this reform,” Bingaman said.

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