2021 Healthcare Affordability State Policy Scorecard

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 scorecard identifies areas where New Mexico is doing well and areas where it can improve. It reflects policies implemented as of Dec. 31, 2020.

STATE: NEW MEXICO **RANK: 24** out of 47 states + DC

***TOTAL SCORE:** 34 OUT OF 80 POSSIBLE POINTS*

New Mexico has much work to do to ensure wise health spending and affordability for its residents. According to SHADAC, 14% of NM adults could not get needed medical care due to cost as of 2019, and the share of people with other affordability burdens is far higher. While NM's high uninsurance rate (10%) may be a factor, healthcare is increasingly unaffordable largely due to high costs that affect everyone. According to the PCE, healthcare spending per person in NM grew 30% between 2013 and 2019, totaling $6,825 in 2019.*

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
CURB EXCESS PRICES IN THE SYSTEM	**1.5 OUT OF 10 POINTS** As is common in many states, NM has done little to curb the rise of healthcare prices.	**4.1 OUT OF 10 POINTS** High private prices are one factor driving costs. NM's inpatient private payer prices are 196% of Medicare prices, putting NM in the middle range of all states. Ranked 26 out of 48 states, plus DC.	*Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. NM should consider strong price transparency requirements, establishing a health spending oversight entity and creating health spending targets.*
REDUCE LOW-VALUE CARE	**1.1 OUT OF 10 POINTS** NM has not enacted meaningful patient safety reporting. 83% of hospitals have adopted antibiotic stewardship. NM has not yet measured the extent of low-value care being provided.	**7 OUT OF 10 POINTS** NM has slightly less low-value care than the national average. Ranked 11 out of 50 states, plus DC.	*NM should consider using claims and EHR data to identify unnecessary care and enacting a multi-stakeholder effort to reduce it.*
EXTEND COVERAGE TO ALL RESIDENTS	**4.5 OUT OF 10 POINTS** Medicaid coverage for childless adults extends to 138% of FPL. Only lawfully residing immigrant children/pregnant women can access state coverage options.	**5.5 OUT OF 10 POINTS** 10% of NM residents are uninsured. Ranked 36 out of 50 states, plus DC.	*NM should consider offering coverage options for undocumented children, pregnant people and adults, as well as adding affordability criteria to rate review. NM should ensure that their upcoming Healthcare Affordability Fund creates affordable options for undocumented children, pregnant people and adults and explore additional coverage options for these groups.*
MAKE OUT-OF-POCKET COSTS AFFORDABLE	**5.6 OUT OF 10 POINTS** NM has banned or heavily regulated short-term, limited-duration health plans and has comprehensive surprise medical bill protections.	**4.7 OUT OF 10 POINTS** 14% of adults could not get needed medical care due to cost. The share of people with other affordability burdens is far higher.	*NM should consider a suite of measures to ease consumer burdens, such as requiring standard plan design on their state exchange.*

APCD = All-Payer Claims Database **CHESS** = Consumer Healthcare Experience State Survey **CMS** = Centers for Medicare and Medicaid Services **EHR** = Electronic Health Records **FPL** = Federal Poverty Level **PCE** = Personal Consumption Expenditure (Healthcare PCE measures spending growth among households as well as nonprofit, commercial and government hospitals/nursing homes) **SHADAC** = State Health Access Data Assistance Center **SMB** = Surprise Medical Bill **STLD** = Short-Term, Limited-Duration

Full report and additional details at **www.HealthcareValueHub.org/Affordability-Scorecard/New-Mexico**

ALTARUM HEALTHCARE VALUE HUB

Healthcare Affordability State Policy Scorecard

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NEW MEXICO NOTES

Methodological Notes:

State rank reflects the weighted sum of the policy and outcome scoring components. A lower state rank number (i.e. close to 1) reflects a higher overall score and better performance when compared to other states. For a complete discussion of methodology, please see healthcarevaluehub.org/affordability-scorecard/methodology.

Curb Excess Prices in the System:

In order to receive credit for price transparency tools, a state's tool had to be public-facing, searchable by specific procedure and hospital and show the negotiated rate paid by insurance plans/patients (not chargemaster rate). New Mexico did not have a tool that met this criteria.

NM has an APCD in process. NM lawmakers approved funding for an APCD in 2019.

Reduce Low-Value Care:

According to the Johns Hopkins Overuse Index created using Medicare data, NM's overuse of low-value care is -0.9 standard deviations below the national average, which is likely a good thing assuming they are also delivering appropriate care (however, the value is still relatively close to the national average). New Mexico mandates CLABSI reporting alone with no other requirements.

Improper use of antibiotics is another type of low-value care. Antibiotic stewardship is the effort to measure and improve how antibiotics are prescribed by clinicians and used by patients—states were scored on what share of their hospitals follow the CDC's stewardship program.

Extend Coverage to All Residents:

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: In 2021, NM passed a 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. NM can approve or reject rate increases before they go into effect. Proposed rates must be reasonable, not excessive, inadequate or unfairly discriminatory and must be actuarially sound.

Make Out-of-Pocket Costs Affordable:

High-deductible health plans create barriers to care for many families. According to SHADAC, the average family deductible among employer insurance plans in NM rose 66% between 2013 and 2019, totaling $3,992 in 2019. States should consider exploring new policies to reduce financial barriers to care for people with high-deductible health plans, although there are limits to how much states can influence employer insurance and Medicare. In response to rising insurance costs, some people turn to STLD health plans, which offer lower monthly premiums compared to ACA-compliant plans. However, these policies offer less coverage, can discriminate against people with pre-existing conditions and pose significant financial risks for consumers. States received credit depending on how much they limit or protect against these plans.

NM has comprehensive protections against SMB. 'Comprehensive' SMB 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. 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. States can still implement protections in this area—55% of ground ambulance rides in NM charged to commercial insurance plans had the potential for surprise medical billing (NM had a small sample size [855] compared to other states, so interpret percentage with caution).*

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. NM also passed legislation prohibiting cost-sharing for people with insurance who seek behavioral health services until Jan. 1, 2027.

* Informational data, not used in state score or ranking. Scorecard Updated: Oct. 27, 2021.