



# beWellnm Board Meeting

Friday, April 26, 2019

Indian Pueblo Cultural Center



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NEW MEXICO'S HEALTH INSURANCE EXCHANGE

[beWellnm.com](http://beWellnm.com)

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THE PLACE TO SHOP, COMPARE AND BUY HEALTH INSURANCE. *Affordably.*

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# Welcome, Roll Call & Confirmation of Quorum

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# Approval of Agenda

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# Matters from the Search and Transition Committee

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**Discussion regarding beWellnm plan to develop a State-based individual marketplace for plan year 2021**

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# Previously Presented Projections

# Previous Projections

## SBM-FP Projected Fee (September '18 & March '19)

| Federal Rate Projections Data (SBM-FP (2.5% & 3%) & SBM Projections) |                             |                              |                              |                              |                              |                              |                      |
|--|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|----------------------|
| Slide for beWellnm 3/15/2019 Board Meeting Presentation              |                             |                              |                              |                              |                              |                              |                      |
| Year   | 2.5% SBM-FP Fee             |                              |                              |                              | 3% SBM-FP Fee                | SBM Cost                     |                      |
|  | 8% Average Premium Increase | 12% Average Premium Increase | 16% Average Premium Increase | 20% Average Premium Increase | 24% Average Premium Increase | 12% Average Premium Increase |                      |
| 2019 (Set at 3%)   | \$10,900,004                | \$10,900,004                 | \$10,900,004                 | \$10,900,004                 | \$10,900,004                 | \$10,900,004                 | \$20,639,800         |
| 2020   | \$9,810,004                 | \$10,173,337                 | \$10,536,671                 | \$10,900,004                 | \$11,263,338                 | \$12,208,004                 | \$31,984,320         |
| 2021   | \$10,594,804                | \$11,394,138                 | \$12,222,538                 | \$13,080,005                 | \$13,966,539                 | \$13,672,965                 | \$18,709,800         |
| 2022   | \$11,442,388                | \$12,761,434                 | \$14,178,144                 | \$15,696,006                 | \$17,318,508                 | \$15,313,721                 | \$16,844,800         |
| 2023   | \$12,357,780                | \$14,292,806                 | \$16,446,647                 | \$18,835,207                 | \$21,474,950                 | \$17,151,367                 | \$16,344,800         |
| 2024   | \$13,346,402                | \$16,007,943                 | \$19,078,111                 | \$22,602,249                 | \$26,628,938                 | \$19,209,531                 | \$16,344,800         |
| 2025   | \$14,414,114                | \$17,928,896                 | \$22,130,609                 | \$27,122,699                 | \$33,019,883                 | \$21,514,675                 | \$16,344,800         |
| 2026   | \$15,567,243                | \$20,080,364                 | \$25,671,506                 | \$32,547,238                 | \$40,944,655                 | \$24,096,436                 | \$16,344,800         |
| 2027   | \$16,812,623                | \$22,490,008                 | \$29,778,947                 | \$39,056,686                 | \$50,771,372                 | \$26,988,009                 | \$16,344,800         |
| 2028   | \$18,157,632                | \$25,188,809                 | \$34,543,578                 | \$46,868,023                 | \$62,956,502                 | \$30,226,570                 | \$16,344,800         |
| 2029   | \$19,610,243                | \$28,211,466                 | \$40,070,551                 | \$56,241,628                 | \$78,066,062                 | \$33,853,758                 | \$16,344,800         |
| <b>TOTAL</b>   | <b>\$153,013,237</b>        | <b>\$189,429,205</b>         | <b>\$235,557,306</b>         | <b>\$293,849,749</b>         | <b>\$367,310,751</b>         | <b>\$225,135,040</b>         | <b>\$202,592,320</b> |

# Previous Projections

## SBM Build (Presented to Finance Committee September '18)

| BUDGET CATEGORY                        | YEAR                 |                      |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 | 2025                 |
| Individual Technology Implementation   | \$ 9,000,000         | \$ 13,000,000        | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Individual Technology M&O              | \$ -                 | \$ -                 | \$ 7,000,000         | \$ 7,000,000         | \$ 7,000,000         | \$ 7,000,000         | \$ 7,000,000         |
| Customer Service Center                | \$ -                 | \$ 1,500,000         | \$ 3,000,000         | \$ 3,000,000         | \$ 3,000,000         | \$ 3,000,000         | \$ 3,000,000         |
| Systems Integration                    | \$ 1,000,000         | \$ 1,000,000         | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Program Integration                    | \$ 1,000,000         | \$ 1,000,000         | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| PMO                                    | \$ 2,970,000         | \$ 4,785,000         | \$ 990,000           | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| IVV                                    | \$ 1,125,000         | \$ 1,812,500         | \$ 375,000           | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Procurement Management                 | \$ 230,000           | \$ 250,000           | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Privacy and Security                   | \$ 250,000           | \$ 250,000           | \$ 50,000            | \$ 50,000            | \$ 50,000            | \$ 50,000            | \$ 50,000            |
| Additional Outreach/Messaging/Training | \$ -                 | \$ 3,000,000         | \$ 2,000,000         | \$ 1,500,000         | \$ 1,000,000         | \$ 1,000,000         | \$ 1,000,000         |
| Additional Personnel                   | \$ 3,000,000         | \$ 3,300,000         | \$ 3,330,000         | \$ 3,330,000         | \$ 3,330,000         | \$ 3,330,000         | \$ 3,330,000         |
| Additional Administrative Overhead     | \$ 1,584,800         | \$ 1,864,800         | \$ 1,864,800         | \$ 1,864,800         | \$ 1,864,800         | \$ 1,864,800         | \$ 1,864,800         |
| Organizational Expenses                | \$ 100,000           | \$ 100,000           | \$ 100,000           | \$ 100,000           | \$ 100,000           | \$ 100,000           | \$ 100,000           |
| Additional Professional Services       | \$ 350,000           | \$ 240,000           | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Additional Board Expenses              | \$ 30,000            | \$ 30,000            | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| <b>TOTAL INDIVIDUAL EXCHANGE COSTS</b> | <b>\$ 20,639,800</b> | <b>\$ 32,132,300</b> | <b>\$ 18,709,800</b> | <b>\$ 16,844,800</b> | <b>\$ 16,344,800</b> | <b>\$ 16,344,800</b> | <b>\$ 16,344,800</b> |

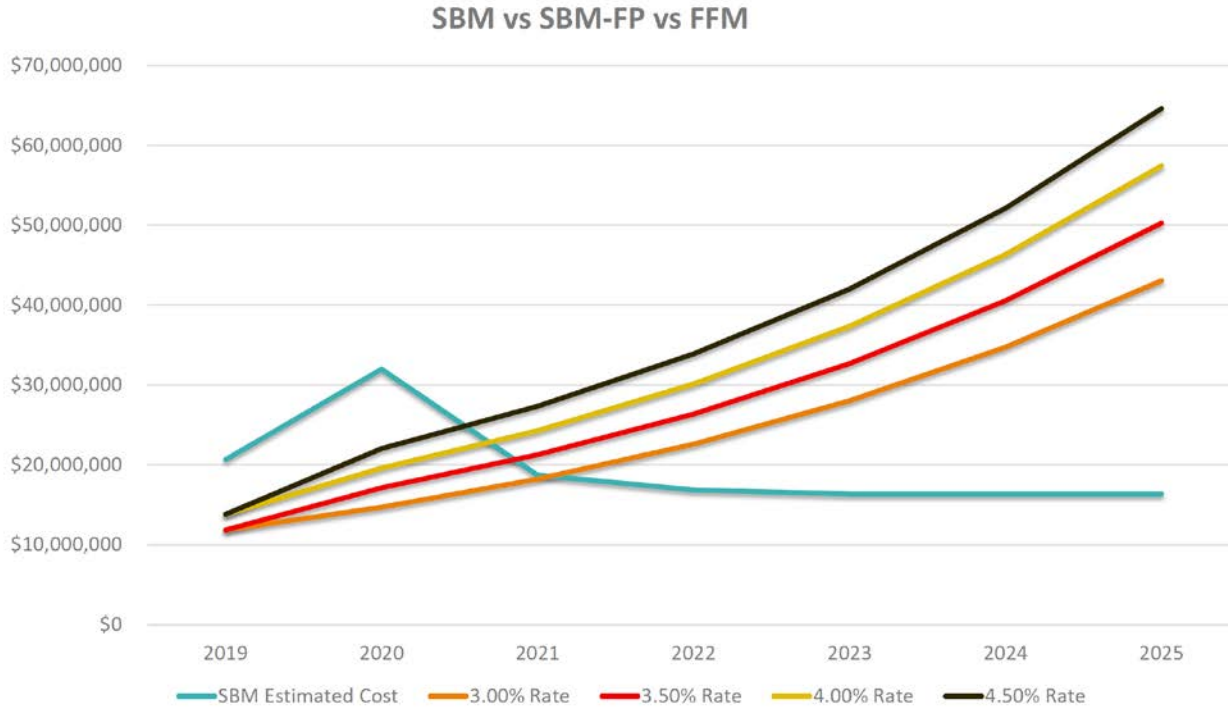
\*Final budget approved had differences between categories, but not total.



# Revised Projections

## SBM-FP Projected Fee (Before)

### Individual Exchange Model Cost Comparison



2019 Rate Already Set at 3.50% (FFM) and 3.00% (SBM-FP)

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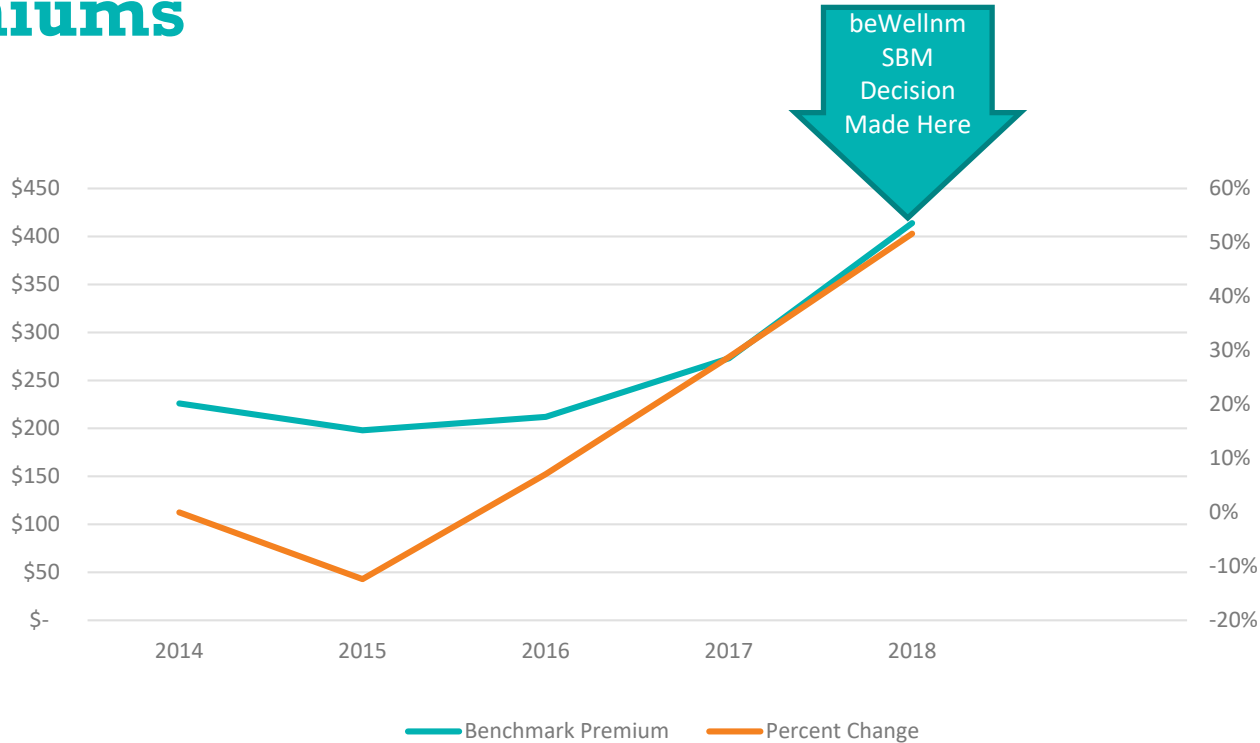
# Rationale for Revisions

# Henry J Kaiser Family Foundation Marketplace Average Benchmark Premiums

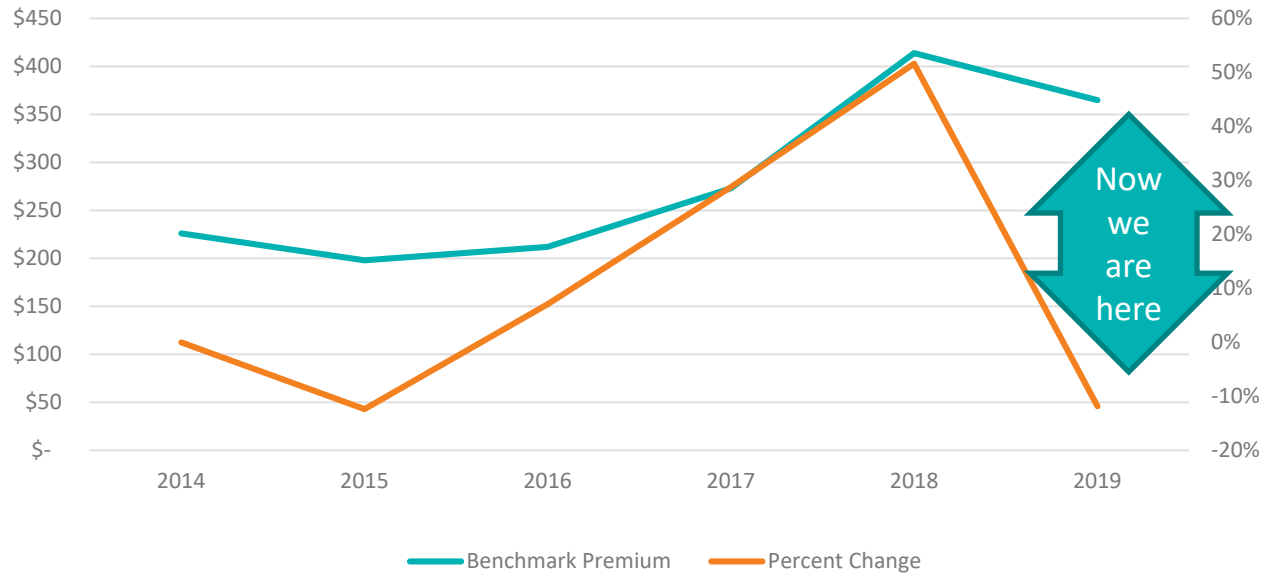
| Location             | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>United States</b> | <b>\$273</b> | <b>\$276</b> | <b>\$299</b> | <b>\$359</b> | <b>\$481</b> | <b>\$477</b> |
| 1. Minnesota         | \$182        | \$259        | \$260        | \$412        | \$385        | \$326        |
| 2. Massachusetts     | \$268        | \$261        | \$257        | \$250        | \$316        | \$332        |
| 3. Rhode Island      | \$293        | \$263        | \$263        | \$261        | \$311        | \$336        |
| 4. Indiana           | \$328        | \$323        | \$282        | \$278        | \$339        | \$339        |
| 5. New Jersey        | \$323        | \$316        | \$332        | \$348        | \$413        | \$352        |
| <b>6. New Mexico</b> | <b>\$226</b> | <b>\$198</b> | <b>\$212</b> | <b>\$273</b> | <b>\$414</b> | <b>\$365</b> |
| 7. Arkansas          | \$294        | \$285        | \$298        | \$281        | \$364        | \$378        |
| 8. Ohio              | \$264        | \$269        | \$268        | \$274        | \$371        | \$380        |
| 9. Washington        | \$285        | \$234        | \$247        | \$243        | \$336        | \$381        |
| 10. Michigan         | \$254        | \$255        | \$260        | \$278        | \$381        | \$383        |

<https://www.kff.org/health-reform/state-indicator/marketplace-average-benchmark-premiums/?currentTimeframe=0&sortModel=%7B%22colId%22:%222019%22,%22sort%22:%22asc%22%7D>

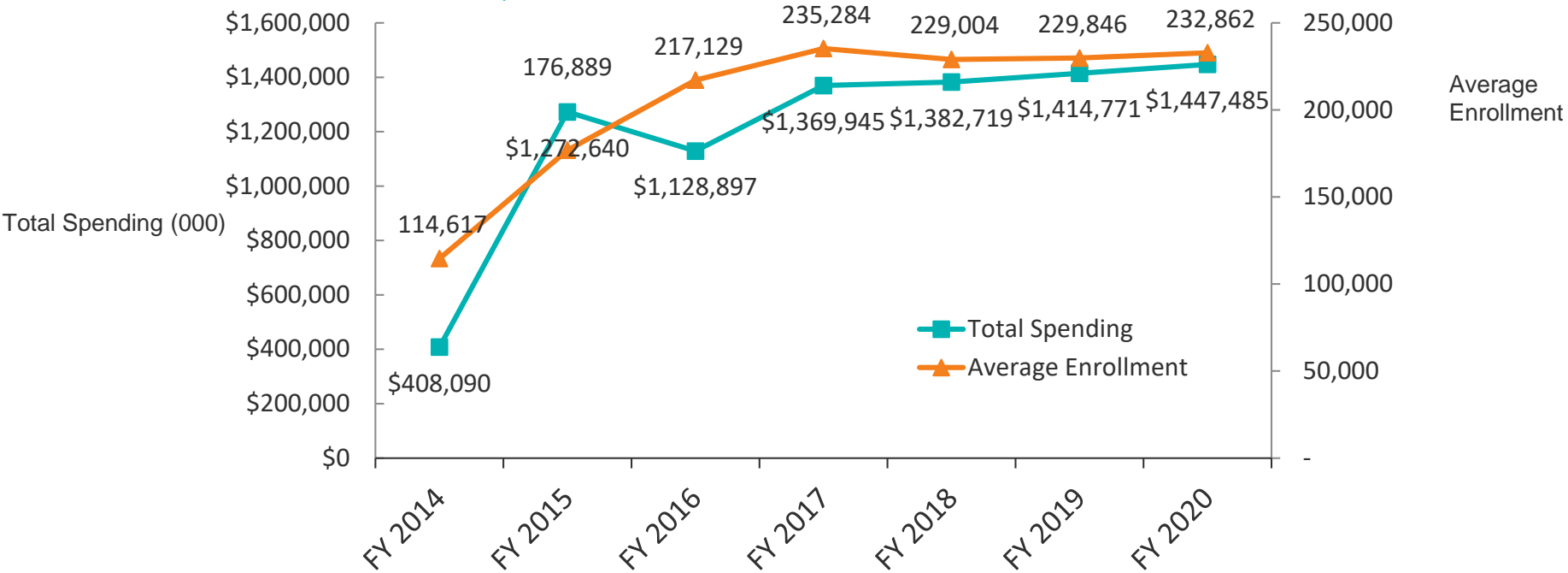
# Henry J Kaiser Family Foundation: NEW MEXICO Marketplace Average Benchmark Premiums



# Henry J Kaiser Family Foundation: NEW MEXICO Marketplace Average Benchmark Premiums



### A Similar Experience in Medicaid: OAG/Expansion Impacts Expenditures and Enrollment, FY 2014-FY 2020



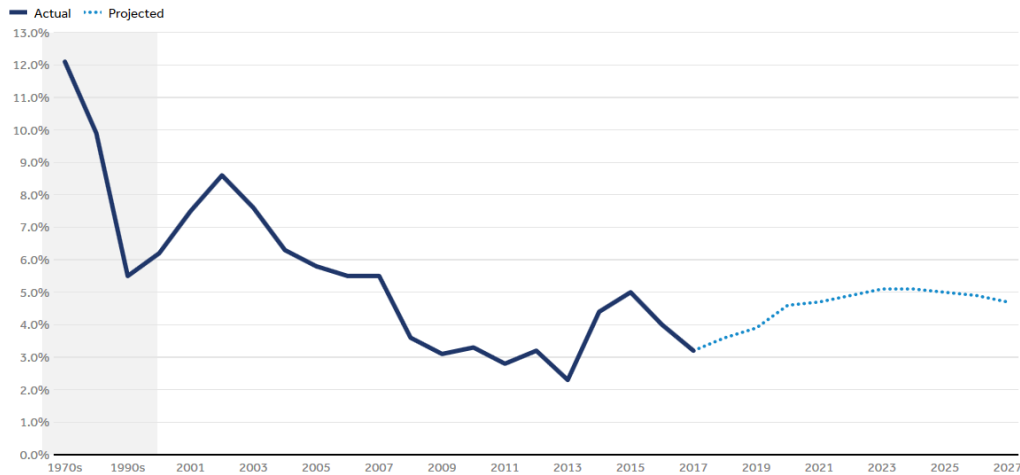
Note: FY 2018 – FY 2020 are projected

OAG Expansion began January 1, 2014. Includes total MCO expenditures and average annual enrollment.

# Kaiser family foundation U.S. health care spending per capita has risen at historically low rates recently, but is expected to pick up

<https://www.healthsystemtracker.org/chart-collection/much-health-spending-expected-grow/>

Average annual growth rate of health spending per capita for 1970s - 1990s; Annual change in actual health spending 2000 - 2017 and projected health spending 2018- 2027



Grey region represents average growth within decade.

Source: Kaiser Family Foundation analysis of National Health Expenditure (NHE) Historical (1960-2017) and Projected (2018-2027) data from Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group (Accessed on February 22, 2019).  
• Get the data • PNG

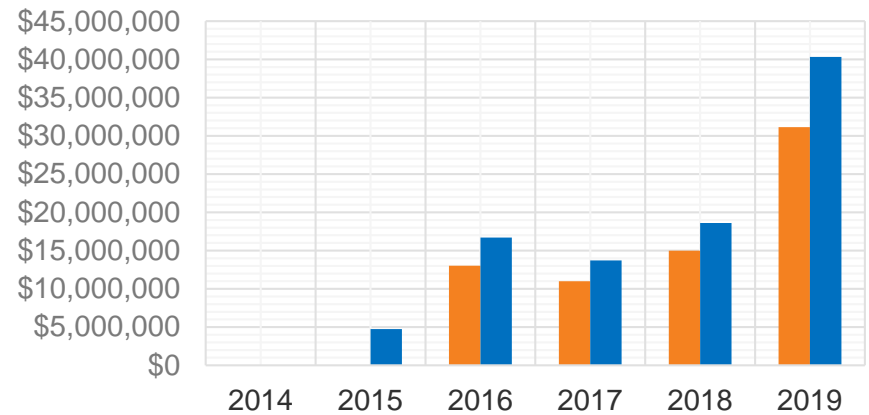
Peterson-Kaiser  
Health System Tracker

- 24%
- 20%
- 16%
- 12%
- 8%

# Why this is of great interest to Medicaid

- Medicaid pays MCOs the equivalent of 77.3 to 80.5% of the entire assessment
- Medicaid specifically asked the Legislature for sufficient general funds to cover the increase in total assessment from \$15 M to \$31 M, which resulted in intense questioning from Senate Finance and House Appropriations Committees
- This request was not approved as of 3/12/2019
- We requested urgent meeting with beWellnm leadership
  - 2/19/2019: LFC, HSD
  - 3/11/2019: LFC, OSI, HSD, Governor’s office

## NM HIX Assessment: 2014 - 2019



- Medicaid Share of NM HIX Assessment
- NM HIX Assessment



# Why this is of great interest to Medicaid

- Medicaid impacts that may not have been considered
  - Integration with HSD systems and timing of two simultaneous builds with same resources
  - Cost of integration with Medicaid
  - Changes required to application and potential SPA approval needed (again, same SME resources)
  - Cost of additional privacy and security requirements for integration and data sharing
- Having two rules engines
  - Could negatively impact Medicaid members caught in between
  - Could limit ability to complete real-time eligibility determinations
  - This is how it works today with Healthcare.gov
- No state has yet to successfully operate two separate rules engines
  - NV just completing build
  - CO went live last OE with no automation when consumers entered the Marketplace front door and needed to be transferred to Medicaid
    - had to be manually entered in by workers and then reached out to complete enrollment
    - much frustration and confusion for members

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# New Assumptions & Projections

# Revised Assumptions

| Revised Assumptions              |  |
|----------------------------------|--|
| September 2018                   | April 2019   |
| 12-24% Premium Growth            | 3,5,7% Premium Growth  |
| 3%-4.5% Rate                     | 2.5% Rate  |
| Timeline out to 2029             | Timeline to 2025 (2 years development, 5 of maintenance & operation) |
| No Administrative Cost Increases | 3% Administrative Cost Increases                                     |
| Flat Enrollment                  | Enrollment Growth of 2%  |

# Revised Projections

| REVISED PROJECTIONS |                     |                     |                     |  |
|---------------------|---------------------|---------------------|---------------------|--|
| Year                | 3% Increase         | 5% Increase         | 7% Increase         |  |
| 2019                | \$10,900,000        | \$10,900,000        | \$10,900,000        |  |
| 2020                | \$9,619,294         | \$9,806,076         | \$9,992,858         |  |
| 2021                | \$10,106,030        | \$10,502,307        | \$10,906,206        |  |
| 2022                | \$10,617,395        | \$11,247,971        | \$11,903,033        |  |
| 2023                | \$11,154,635        | \$12,046,577        | \$12,990,970        |  |
| 2024                | \$11,719,060        | \$12,901,884        | \$14,178,345        |  |
| 2025                | \$12,312,044        | \$13,817,918        | \$15,474,245        |  |
| <b>TOTAL</b>        | <b>\$76,428,457</b> | <b>\$81,222,734</b> | <b>\$86,345,657</b> |  |

Projections including revised SBM project build will be presented in closed session.

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# Public Comment

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**Executive session pursuant to NMSA 1978, § 10-15-1(H)(6) for the discussion of the contents of competitive sealed proposals submitted in response to RFP # 2019-001 for an Individual Marketplace and Customer Engagement Center**

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**Executive Session pursuant to NMSA 1978, §10-15-1(H)(7) for the discussion of threatened or pending litigation in which beWellnm may become a participant.**

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**Next Regular Board Meeting  
May 17, 2019 at CNM Workforce Training  
Center**



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# Adjournment