



January 11, 2023

*Via email to LPacheco@nmhix.com*

beWellnm

7601 Jefferson St. NE Suite 120

Albuquerque, NM 87107

ATTN: beWellnm Health Benefits Committee

**RE: Public Comments on 2024 Standardized Health Plans**

Dear beWellnm Health Benefits Committee,

Please accept the following comments on beWellnm’s proposed standardized health plan requirements, on behalf of the New Mexico Center on Law and Poverty. We are very grateful for beWellnm’s efforts to make coverage and care more affordable for all New Mexicans. The committee’s adoption of the standardized health plan requirements is certainly a significant step in that direction.

Every New Mexican deserves access to quality, affordable healthcare coverage. Unfortunately, too many New Mexicans forgo purchasing coverage and accessing needed healthcare due to out-of-pocket costs.

As you know, although premium costs are often a barrier to accessing healthcare coverage, out-of-pocket costs are often a barrier to **using** healthcare coverage. A recent survey of New Mexicans by a national, non-partisan research firm found that 56% of New Mexicans “have sacrificed medical services in the past two years because of cost.”<sup>1</sup> 65% of New Mexicans said they “feel like prices of medical services or procedures are not transparent.”<sup>2</sup> Indeed, when our organization and our partners in the New Mexico Together for Healthcare campaign survey our communities in central and rural New Mexico, we often hear that out-of-pocket costs are the most significant barrier to receiving needed healthcare. These costs can also have a “chilling effect” on individuals and families when they shop for coverage. After all, why have coverage for healthcare services when you are nevertheless unable to afford those services?

In 2020, the Legislature authorized the Exchange to design standardized health plans.<sup>3</sup> As part of this legislative authorization, the Exchange was empowered with

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<sup>1</sup> Robert Wood Johnson Foundation, *How New Mexicans Feel about Affordability and Healthcare Reform* 9 (Mar. 2022), available at <https://rwjf.ws/3wCe5t1>.

<sup>2</sup> *Supra* note 1 at 8.

<sup>3</sup> NMSA 1978, § 59A-23F-9.

designing plans that made “more services available before a deductible amount is applied to a benefit;” provided “predictable cost sharing;” and reduced “barriers to maintaining and improving health[.]”<sup>4</sup>

BeWellnm’s proposed plan requirements will certainly provide New Mexicans with quality, affordable coverage options meeting the Legislature’s goals. Not only do these plans require many high-value, necessary services—such as preventive and primary care—to have the lowest out-of-pocket costs, they also provide lower, more affordable deductibles and out-of-pocket maximums. This is a terrific opportunity for our state, as individuals and families who may ordinarily forgo purchasing coverage on the Exchange due to real or perceived cost may now be incentivized to purchase coverage and access the care they need when they need it.

We also applaud beWellnm’s proposal to shift Exchange plans from using coinsurance to using copays. Coinsurance is frequently too unpredictable for individuals and families—even when they can reasonably plan out the care they expect to receive in a given year. Copays provide individuals and families with much more transparency and predictability when they shop for coverage and plan for their healthcare.

The Affordable Care Act intended to create a system in which customers would be able to shop around for coverage and make informed decisions about which plan to pick based on their healthcare needs and financial situation. Rolling out standardized health plans prioritizing cost-sharing based on copays rather than coinsurance moves the needle decidedly in the direction of providing consumers with more transparency and predictability. Our hope is that beWellnm will finalize and implement these plans, as doing so will ensure more New Mexicans can meaningfully shop for affordable, quality healthcare coverage.

Thank you again for your work in proposing these standardized health plans. New Mexico is well-positioned and eager to benefit from health plans with lower and more predictable out-of-pocket costs. We look forward to seeing these plans provide New Mexicans with access to healthcare coverage they can afford to use.

Sincerely,

Nicolas Cordova  
Healthcare Attorney  
New Mexico Center on Law and Poverty

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<sup>4</sup> *Id.*