



## HEALTH CARE AUTHORITY

# HCA Transition Questions and Answers

### WHAT IS THE NM HEALTH CARE AUTHORITY?

The Health Care Authority (HCA), launching on July 1, 2024, is a new agency in New Mexico formed by merging the New Mexico Human Services Department, the State Employee Benefits team from the General Services Department, the Health Care Affordability Fund, and the Developmental Disabilities Supports Division and Division of Health Improvement from the Department of Health. Its mission is to provide comprehensive, accessible, and high-quality health care and safety-net services to all New Mexicans. The HCA aims to leverage purchasing power, partnerships, and data analytics to create innovative policies and models for comprehensive health coverage, striving for health equity and utilizing technology for efficient service delivery. This initiative represents a significant step towards a healthier New Mexico, focusing on whole-person care and the well-being of its residents.

### HOW WILL THE HCA AFFECT THE AVERAGE PERSON IN NEW MEXICO?

- As the Health Care Authority (HCA) is set to serve over 1.09 million New Mexicans — 52% of the state’s population — the average person in New Mexico is a customer of the HCA.
- The establishment of the HCA creates a single agency responsible for health care purchasing, policy, and regulation and the provision of key safety net services that respond to health inequities. The HCA will transform the way New Mexico purchases health care benefits for New Mexicans, leveraging the purchasing power of the Medicaid program, which covers 46% of the state’s population, to improve the cost-effectiveness, quality of care, and health outcomes for over 180,000 public employees, including employees of state government, municipal and local governments, public schools, and covered retirees. The alignment of executive units will provide the opportunity to leverage expertise, optimize technology, and drive accountability to achieve improvements in the healthcare system.
- The HCA will be able to provide services to eligible New Mexicans in an innovative, timely, streamlined, and customer-focused way by implementing a no-wrong-door approach.

### WHAT CHANGES CAN PEOPLE EXPECT TO SEE BECAUSE OF THIS CONSOLIDATION?

- Effective July 1, 2024, the HCA will be a new department that has formally and successfully merged HSD’s current divisions, the Employee Benefits Bureau from the New Mexico General Services Department (GSD), and the Developmental Disabilities Supports Division and Division of Health Improvement from the New Mexico Department of Health (DOH). **In state fiscal year 2025, the HCA is estimated to serve over 1.09 million New Mexicans, or 52% of the state’s population.**
- The [HCA transition plan](#) outlines a roadmap to improve health care purchasing and negotiation by working better together across the New Mexico agencies and authorities that procure and purchase health care, but which are not specifically mentioned in the HCA statute, including:
  - The New Mexico Public Schools Insurance Authority
  - The New Mexico Retiree Health Care Authority
  - The Interagency Benefits Advisory Committee
  - The New Mexico Health Care Affordability Fund
- New Mexicans covered by these forms of public health insurance will benefit from moving into the HCA. Directly, these plans will benefit from Medicaid’s expertise in identifying gaps in coverage, plan design, plan administration, improving benefits, cost management, data management, and health care access. Indirectly, the increased coordination between Medicaid and these other health plans allows the State to better align healthcare delivery and policies, improving overall healthcare outcomes, including access.

## **HOW, SPECIFICALLY WILL THE HCA ADDRESS RURAL HEALTH CARE AND COMBAT POVERTY AND FOOD INSECURITY?**

- The expansion of healthcare in rural areas involves enhancing access to health care services in rural communities, improving existing health care infrastructure, and support for rural health care providers. The HCA aims to address challenges in rural health care, including workforce support and access to services.
- The HCA will continue to address many of the underlying issues that influence health outcomes, such as expanding access to health care in rural communities, building a robust behavioral health system, and providing income and child support programs that address poverty and food insecurity. Such programs include but are not limited to, SNAP (food supports), TANF (cash assistance) utility assistance, and child support services.
- This approach will not only improve healthcare accessibility and quality but also consider the foundations of community health, positioning New Mexico as a leader in comprehensive and integrated healthcare.

## **WILL THE PLAN TO EXPAND MEDICAID TO MOST NEW MEXICANS BE FACILITATED THROUGH THE NEWLY CREATED HCA AND IF SO, HOW?**

The department was directed to conduct a feasibility study and evaluation of Medicaid expansion. Specifically, 2023 HB400 charges the HSD Secretary to evaluate the feasibility of a state-administered health coverage plan that provides health insurance coverage for low-income New Mexicans who are not otherwise covered under Medicaid. This report is due to the legislature in October of 2024 and will include recommendations on potential expansion per the requirements outlined in 2023 HB400. This feasibility study falls under the responsibility of the newly established state agency, the Health Care Authority.

## **WILL ALL THE FUNCTIONS OF THE HSD WILL FALL UNDER THE HCA?**

Yes. Under the HCA, eligible New Mexicans will continue to have access to services and benefits currently administered by HSD. Our top priority is to make sure we connect directly with the HCA's 1,091,376 customers - including DDS, DHI, and Employee Benefits customers - to ensure awareness of the change.

## **EXACTLY HOW WILL THE HCA ENHANCE ACCESS IN RURAL COMMUNITIES?**

- The HCA will continue to oversee and improve programs such as the Rural Health Care Delivery Fund enacted by the governor and Legislature in the 2023 legislative session, awarding funding to Medicaid providers who are experiencing operating losses as they provide critical health care services including but not limited to primary care, behavioral health, maternal child health services, and specialty care.
- As an agency, we are tasked with finding innovative ways to improve access to health care in rural areas, the establishment of the HCA is a significant step towards fulfilling that mission.

## **HOW WILL THE HCA IMPROVE HEALTH CARE WORKFORCE SUPPORT AND INFRASTRUCTURE?**

- Through the Rural Health Care Delivery Fund, the HCA will support a broader range of healthcare services, including primary care, specialty care, mental health services, and preventive care. We are also on track to double the number of accredited residency programs from 8 to 16 by 2025 and support workforce education and expansion by providing funding for new primary care physician residency programs. This expansion also entails strategies to attract and retain a health care workforce in these communities

## CONT. - HOW WILL THE HCA IMPROVE HEALTH CARE WORKFORCE SUPPORT AND INFRASTRUCTURE?

- HCA's state fiscal year 2025 budget request includes a proposal to support NM health care providers by raising Medicaid primary care, behavioral health, and maternal/child health rates to 150% of Medicare rates.

## HOW WILL HEALTH CARE PURCHASING, POLICY, AND REGULATION FOR STATE, COUNTY, AND LOCAL EMPLOYEES BE HANDLED? WHAT WILL BE THE FUNDAMENTAL DIFFERENCES?

- We anticipate the HCA will bring about several fundamental changes in health care purchasing, policy, and regulation for state, county, and local employees:
- The centralized health care purchasing and policymaking will lead to greater consistency and efficiency in healthcare procurement, ultimately benefiting employees by ensuring access to a broader network of providers.
- With a dedicated focus on healthcare policy, the HCA will have the capacity to develop and implement policies that cater to the unique needs of state, county, and local employees. These policies may include improvements in coverage options, cost-sharing arrangements, and wellness initiatives to promote employee health and well-being.
- The HCA, as a single entity responsible for healthcare purchasing, will have increased bargaining power when negotiating with healthcare providers and insurance carriers. This leverage can lead to cost savings and potentially more favorable benefit packages for employees.
- The HCA will have the flexibility to tailor benefit plans to the specific requirements of state, county, and local employees, considering factors such as demographic differences and regional healthcare access. This customization can result in more personalized and responsive benefit offerings.
- The HCA will assume a pivotal role in overseeing healthcare regulation, ensuring that the healthcare services provided to state, county, and local employees meet established standards of quality and affordability. This proactive regulatory oversight aims to enhance the overall healthcare experience for employees.

## WHERE CAN I LEARN MORE?

- HSD Health Care Authority Information Page: <https://www.hsd.state.nm.us/health-care-authority/>
- HCA's FY 24 Strategic Plan: [https://www.hsd.state.nm.us/wp-content/uploads/HCA-FY-24-Strategic-Plan-FINAL2023\\_08\\_30.pdf](https://www.hsd.state.nm.us/wp-content/uploads/HCA-FY-24-Strategic-Plan-FINAL2023_08_30.pdf)
- New Mexico Senate Bill 0016: <https://www.hsd.state.nm.us/wp-content/uploads/NM-SB0016-2023.pdf>
- HCA's Transition Plan: [https://www.hsd.state.nm.us/wp-content/uploads/HCA\\_FinalTransitionPlanReport2024\\_01\\_16.pdf](https://www.hsd.state.nm.us/wp-content/uploads/HCA_FinalTransitionPlanReport2024_01_16.pdf)
- Governor Michelle Lujan Grisham's letter to LFC & LHHS: <https://www.hsd.state.nm.us/wp-content/uploads/110123-Ltr-from-GMLG-to-LFC-LHHS-re-HCA.pdf>